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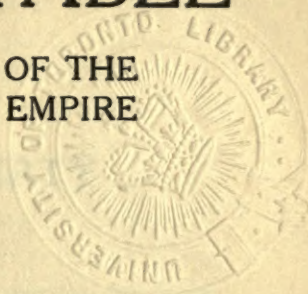


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THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH EMPIRE



Volume X

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DECEMBER 1919 TO SEPTEMBER 1920

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Volume X v.10

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THE PRICE OF LIBERTY

COUNT CZERNIN predicts that the war, so far from being closed by the Congress of Paris, is merely the prelude to a world revolution. In his view we are only at the outset of an age of calamity. Pessimism is natural to men bred in the school where Count Czernin has studied politics. The doctrines of that school have their roots in denial of free-will, and fatalism is another word for despair. It reduces men to the rôle of scene-shifters in a tragedy of which they are also the victims. The roots of liberty are fed by faith in human free-will, which is also the well-spring of hope. It encourages man to trust his own unconquerable mind. It forbids him to watch with folded hands a world revolution moving to its catastrophe through cycles of gloom and eclipse. It reminds us that the storm which broke five years ago is not of the elements, but one which rages in the atmosphere of our own minds. It will not admit that human nature can generate forces which the human mind cannot control. But in order to control external forces men must understand themselves. They must know what this world revolution is, and when they know they have but to act in the light of their knowledge. As Mr. Lloyd George has said in one of those flashes which illuminate like a searchlight, "the price of liberty is eternal vigilance."

It is best to approach so large a problem as a world revolution by examining a similar phenomenon on a smaller scale. Writing at a time when public feeling against the slave trade was acute, Walter Bagehot ventured to point out that slavery had played an indispensable part in the

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progress of civilization. In an age when war was the normal condition of human society, it provided a motive to restrain victors from slaughtering their captives as a matter of course. It went far to avert the danger that the human race at a certain stage would destroy itself. In Bagehot's day, of course, slavery had long survived the age when public opinion tolerated the wholesale slaughter of captives. Societies by which it was practised came to regard it as an institution of intrinsic value. Till the second half of the nineteenth century it actually flourished in one part of a great republic which claimed, not without reason, to be the boldest and most successful of all experiments in free government. It was even justified as a basis necessary to the enjoyment of freedom by the dominant race.

Arguments like this are seldom wanting to prove that what is is right. We can see now how monstrous an anachronism was the entrenchment of slavery in the constitution of the United States. We can also see that the expedient of excluding the practice from certain states while permitting it in others was bound to miscarry. The persistent attempts of the North to limit the influence of slavery to the South inevitably failed. The Northern states were driven by successive stages to recognise that the principle of freedom underlying their laws was invaded and threatened. Slavery had by long ages outlived the barbarous conditions in which it appeared as a genuine reform. Its survival in the heart of a society consciously devoted to the practice of political freedom was a certain prelude to revolution.

The more closely we study the causes which led to the civil war in America, the better we shall understand the nature of the world revolution by which we are faced half a century later. The survival of absolutism in three leading Powers of the modern civilised world was a more dangerous anachronism than the survival of slavery in the heart of the American Republic. Like slavery itself, the principle of irresponsible power centred in the hands of one

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ruler has had its practical part to play in human affairs. We are not concerned with what might have been had men been otherwise than what in fact they were. History, which provides the data of politics, is merely concerned with what happened. In actual practice powerful dynasties have laid the foundations of the national states without which freedom on the scale now realised in the United States could never have been achieved. Plantagenets and Tudors were an indispensable factor in the growth of a polity now realised on the largest scale in the Western world. As with slavery, the problem has always been how to get rid of the principle of absolute government when it has played its part. For the passion for power, when vested in a dynasty, grows with its exercise. The principle becomes a religion to those who administer it. A conviction steadily grows in the autocrat's mind that his people, left to themselves, are bound to do wrong. They can only hope to do right by obeying his orders. The truth that men never become more virtuous by mere obedience to rule escapes him. Within limits it is necessary that men should be made to do right, for the seeds of virtue are utterly extinguished in a state of anarchy. But, once the foundations of order are laid, a people can only discover for themselves the difference which separates right from wrong. They must make decisions and learn from the consequences, in the field of their public as well as of their private affairs. A free system of government is one which makes public decisions, the enactment, that is to say, of the laws themselves, and also the selection of those who are to administer them, depend on the judgment of ordinary men. Under absolute government the growth of a people's character must be arrested after a certain point. It can only progress under free institutions, and in direct proportion to the degree to which those institutions really enable them to control their own affairs.

The gradual transition by which the powers of government were assumed by the people of England, while the

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King remained to discharge the office of president, was unique. It made England the shining example of free institutions. It also disposed the powerful dynasties of Spain and France to regard England as their natural enemy and to work for her downfall. The great struggle, which occupied more than two centuries, was thought to be closed with the final downfall of the Emperor Napoleon. But in Central Europe the dynastic principle was still too strong to make the process thorough or safe. By the cunning of a Bismarck the national spirit of a great and powerful people was made the foundation of a new system of absolute government, skilfully veiled behind a screen of constitutional forms. How successful the imposture was may be realised when we remember that it was possible in the early days of this war for German propagandists in America to represent the German Empire as a republic based on manhood suffrage. The system could only be safe in the hands of a master so great as Bismarck, and when thrown from power he lived to see the natural propensities of a dynasty develop. The civilised world had thought itself finally committed to the principles of liberty. Blinded by the smoke screen of manhood suffrage, it realised too late that a dynasty had reappeared in its midst more dangerous to the liberties of the world than the old dynasties of France or Spain.

For half a century before this war the case for liberty, which is also the case against absolute government, was taken as proved. The Anglo-Saxon world did not take Nietzsche seriously, but inclined to regard his doctrines as the outcome of an unbalanced mind. The appeal they made to instincts deeply embedded in human nature was scarcely realised. It was once said of the Papacy that if it were abolished human nature would recreate it. And as a French writer remarked of the railway strike: "In the breast of every proletarian there sleeps a little Kaiser." He had better have said that a little Kaiser wakes in the breast of every human being, and side by side with him

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sleeps a lazy little slave. Had Kaiserism been confined to the Kaiser, or even to cliques like his Junkers, the danger might have been safely ignored. Its menace lay in the appeal which it still made, partly to the appetite for power, and partly to the indolence innate in great masses of human beings.

“The price of liberty is eternal vigilance,” and the price was not being paid. The world was a new one, or seemed to be so, in which bones could be looked at through human flesh, in which men rushed on their lawful occasions in trains and electric cars, in motors and even by airships. In such a world tyrants with logical schemes of world conquest had no place. A Genghis Khan, a Louis XIV., or a Napoleon were matters of history. The citizen of London or New York no more expected to see one in his time than to meet a mammoth crushing the crowds in the Strand or in Fifth Avenue. It is true that in the opening decades of the twentieth century the Bismarckian smoke screen was beginning to drift away. But only when its last vapours were blown to the winds by the flashes of guns was the monster seen in its grim reality—vigorous, rampant, uttering the same old lies, and doing the same old unspeakable things that typical tyrants in all ages have said and done.

The issues were now clear enough. Throughout the world free communities realised that the system for which they stood was at stake. One after another they accepted the challenge of Kaiserism and put their hands to the task of rooting it out from the soil of Europe. When once that task was accomplished, and the war to abolish war had achieved its purpose, civilised life could then be resumed at the point where it was broken off in the summer of 1914.

After fearful vicissitudes the success of the Allies in reaching their military and political objectives was beyond their most sanguine hopes. The German armies were broken. The Kaiser was dethroned, Germany was disarmed, her government was made directly answerable to

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her people. The plunder of centuries was retrieved and handed back to its lawful owners. But the impact needed to destroy Kaiserism has recoiled and shaken the whole structure of free society. In the British Commonwealth, which bore the brunt of the struggle, the effects are everywhere manifest. Great fissures have opened in the central arches. In some of the wings the very foundations seem to be slipping. The gibe of a fallen enemy, that we have only begun, not ended a world revolution, is barbed with truth.

II

WE have noticed already how our mastery over nature, expressed in the commonest details of life, seemed to presume knowledge and reason as the permanent bases of society, to preclude the idea of government founded on physical force. In the first days of the war that illusion was swiftly and violently dispelled, and a brilliant writer described the tragedy which unfolded as "Freedom betrayed by science." Our immense progress in knowledge owed much to free institutions. But the children of free institutions realised too slowly and almost too late the weapons which science was placing in the hands of their enemies. It put a premium on the regimentation in which Germany conspicuously excelled. The German people—industrious imitators for the most part, rather than originators—were possessed with the belief that their achievements in the field of applied science had assured them the means of unlimited power over the rest of mankind. Such dreams of dominion as fired the brains of Berlin were conceivable only in an age which had learned the secrets of steam, electricity, internal combustion, wireless telegraphy and high explosives.

But the trouble goes far deeper than this. In the course of a century man's control of nature has developed much faster than man's control of himself. The sudden recru-

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descence of the old struggle of free nations with military despotisms is only one of many conflicts and conquests which have followed in other than purely political fields. To begin with, the control of great spheres of production in which multitudes labour was concentrated by science in the hands of a few. There arose men in private offices wielding powers which governments scarcely know how to control. While the world imagined that liberty was purely a question of politics, the power to control the welfare of millions was silently accumulating in the hands of great captains of industry. And nowhere was this more marked than in the great commonwealth which was deemed by its citizens to be the most perfect expression of free institutions. In the industries of America the doctrine of ascendancy was firmly entrenched.

It is only lately that the various sections of labour are beginning to recognise the power which this vast and intricate regimentation of society has placed in their hands. In the early stages of their development undertakings like steamships, railways, telegraphs, telephones and such-like public utilities concentrate immense power in the hands of the few who organise and control them. At first the facilities they provide are felt to be luxuries and appreciated as such. In a few decades society develops on the assumption that the services they render are as certain as the seasons and part of the order of nature itself. Instead of luxuries these facilities become necessities upon which civilised existence depends. Vast populations spring into being or are regrouped on the faith of these services. Then suddenly the workers who operate the levers and organs of a delicate and complicated system awake to their power. The merest fraction of a modern civilised state can unite to hold the rest of society by the throat. A comparatively small number of sections, each playing for its own hand, may quickly reduce a country to the horrors which Russia is inflicting on herself to-day.

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That these evils have not befallen the whole world must be set down to the growing reasonableness of mankind. No student of history who takes wide views of his subject can doubt that human nature has changed and is changing for the better. But the trouble is that in the course of the last five generations the knowledge of men has increased out of all proportion to the changes which were possible in their own characters and social organisation. The cry goes up for more knowledge, more control of material forces, more money to be spent on physical research. And yet, as Sir Oliver Lodge has lately remarked, the discovery in the near future of how to harness atomic energy would be, as human nature still is, and as society is at present constituted, the greatest of all possible disasters. The discovery of that secret would place it in the power of one nation, or even one section of a nation, to destroy the rest of mankind.

The real problem, then, before us, brought to a head by this war, is how to fit society for the immense dominion it has now acquired over natural forces. Before the war in England, and even in America, the cult of autocracy as a system was still common, especially in the generation to which Carlyle was a major prophet. We hear less of it now, and for obvious reasons. The performance of its German, Austrian and Russian exponents is scarcely such as to prove the claims they made for it. Its effect on the masses they governed speaks for itself. The real hope of the future lies in whatever system makes for a higher sense of public responsibility in individual men. It is a fact as obvious as it is constantly ignored that unselfishness in individuals is the only basis upon which a system of self-government can rest. The more highly developed a society grows, the higher the altruism necessary in the citizens if they are to govern without destroying themselves. But the saving factor in liberty is that it generates the principle of its own existence. In an age of cataclysm society has proved most stable whenever free institutions

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have been most firmly established. The power which small sections have of holding the whole community to ransom is nowhere greater than in England and America ; and the really impressive feature is the extent to which on the whole they forbear to use it. There is great hope for freedom in any community in which Labour still keeps leaders like Thomas, Clynes, or Gompers at its head.

Before the war there were many who accepted, at its face value, the contrast drawn by Germans between German and British or American patriotism. Many of us drifted into thinking that it was only in Germany that men in great masses could be found to sacrifice themselves for the good of their country. The plea that a system which imposes public responsibility on the widest possible circle of citizens must tend to foster patriotism was treated as an abstract ideal. In theory, of course, everyone could prove that it must be so. But in practice, unfortunately, it was otherwise. One had only to look at Germany, it was said, to see that here was the real home of patriotism. Events have proved that it was not the theory which erred, but our reading of the facts. Here and in America the public responsibility imposed on private citizens by free institutions had developed a latent patriotism the strength of which was only revealed by the war.

By patriotism, of course, is meant something different from the feeling expressed in "Rule, Britannia" or "Deutschland über Alles," the patriotism which deems its country more honoured in serving less fortunate nations than in becoming their master. The cosmopolitan who decries patriotism as such is usually a materialist at heart. He cannot understand how a special devotion to one land and the people it contains is compatible with devotion to the welfare of mankind at large. Yet no one would question that the love of a man for his family and his country more often than not go hand in hand. The man who puts his family before his country or his country before the world at large has misconceived the true interests

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of both. The true value of love is not to be estimated in terms of lust, nor of any virtue by its natural perversion. The truth remains that he that is faithful in little is faithful also in much. The man who has learned to put his family before himself is well on the way to putting his country before his family ; and the man who has come to regard his country as entitled to supreme devotion has gone near to seeing that its good can only be realised in terms of human welfare. How few are the years which have passed since a British Government refused to authorise school teachers to show the Union Jack on Empire Day ! To reflect how impossible such action would be to-day is to realise how far we have travelled in those few years.

In an age when every day fresh physical discoveries are placing new weapons in the hands of individuals and sections of society, the hope of the world lies only in policy which directly aims at inclining men and sections of men to consider others before themselves. Always and everywhere the policy of nations must aim at increasing the sense of public responsibility in individuals. It is vital, therefore, to insist on the truth that this can only be done by continuously spreading to individuals the responsibility for public decisions. Not merely in domestic affairs, but also in imperial and foreign affairs, this principle must be taken as the guiding motive in all practical questions of public policy.

The greatest mistake we have made was in thinking that this could be done by a mere increase of the number of voters. In the course of the war the extensions of the franchise have been immense. We are almost in sight of adult suffrage. But when the vote has been extended to every citizen who is old enough to realise what it means, we have still not reached the limits of popular government. So long as society continues to develop the limits of popular government will never be reached. We shall never arrive at a system which will once and for all secure

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that public interests are submitted to the highest measure of popular control. In England no important section of citizens are now debarred from casting a vote. The real difficulty lies in rendering public affairs in all their increasing complications amenable to the vote. The problem is to make the vote really operative on all the questions which affect the lives of the voters. These vast extensions of the franchise will prove a real and terrible danger if they only lead to a discovery by electors that the control which a vote purports to give them is in practice illusory.

In the struggle of employers for larger profits and of workmen for higher wages, both classes largely misjudge the motives of the other. There is more in the employers' desire for profits than personal greed of material gain. That element is present, of course, like dross in ore. To some extent employers want bigger houses, more luxurious cars, wines, cigars, all kinds of material enjoyment and power for themselves. But most of them are family men who are thinking largely of the prosperity of their families. The wealth which they are accumulating most of them intend to leave behind them intact. We are apt to ignore the obvious fact that the common desire which men have to accumulate money for their heirs is in essence a motive of altruism. And the same is true of the hand worker. To some extent he does want more money for drink and to stake on the speed of rich men's horses. It is useless to burke that fact. But again, most of these men have families, and in fact the driving power of the labour movement comes from a yearning to give the women they marry and the children they beget a better life than has fallen to themselves.

There is much more unselfishness in human motive than we are apt to allow for, and it is largely for these unselfish ends that a wider franchise has been desired. In demanding a greater share of health and happiness for their women and children as well as for themselves the new voters are demanding what they ought to demand. They cannot, of

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course, get the moon by voting for it. The limits within which political action is useful or effective can only be taught to a democracy by experience. Yet it is useless and dangerous to warn a democracy not to expect too much of their government when its whole machinery is incapable of meeting the most elementary needs which a government exists to satisfy, and the realisation of this truth has begun at last to foreshadow essential changes in the working of the British Commonwealth. For years the opponents of reform in this country have asserted that all difficulties of Parliamentary machinery could be met by a process of devolution, not on provincial governments and assemblies, but simply on grand committees of the House itself. Fortunately the overwhelming pressure of business accumulated by the war has at length brought this argument to the test. A few months of experience was sufficient to demonstrate that these grand committees could not do their work unless they sat while the House itself was sitting. But the moment this happened the elementary fact was discovered that members of Parliament could not be in two places at once, even though these places were under a single roof. The sitting of the grand committees threatened the principle of government by public debate with virtual extinction.

The discussion in Parliament of this burning question had long been burked by the wire-pullers, whose ruling political instinct is to keep intact the old wires they know so well how to pull. Now at last this professional opposition to reform had to give way, and Parliament was allowed to discuss the most vital of all political questions, that of its own competence to transact the business imposed upon it. Naturally it was a question which Parliament, the moment its attention was seriously turned to the matter, was pre-eminently fitted to discuss. From speeches made from every side of the House it was clear that Parliament as now constituted could not hope to pass through the mill the most moderate programme of reform which the electorate

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could or ought to accept. No debate was ever more conclusive. The resolution passed by an overwhelming majority, in which some ministers voted, was, in fact, an admission by Parliament of its own breakdown. It called on the Government to appoint a commission to inquire and report how that part of the load which Parliament is no longer able to bear can be devolved on provincial governments.

During the war, when questions of franchise were threatening to disrupt the party truce, a compromise was reached satisfactory to all parties by a committee of both Houses presided over by the Speaker. The success of this expedient was admittedly due to the Speaker's skill, and also to the great confidence felt by all parties in his fairness and judgment. In the far more difficult and important question of devolution resort has been had to this same expedient. A commission of members selected by the Speaker himself is now at work on the problem under his guidance. Without qualification this development may be described as the most hopeful and important which is now in progress. Until it reports, this commission is a body of greater importance than Parliament itself, for neither Parliament nor yet the electorate can do anything further in the matter until they have before them some concrete scheme to discuss. The practical difficulties in a vital reform like this are always great. To insist that technical difficulties cannot be overcome is always the last refuge of opponents to reform. In America, Canada, Australia, and South Africa a time was reached when self-government could not advance one inch further unless the provincial communities could unite to form a central government for national affairs. In each case the safe men proved to their own satisfaction that the thing was impossible. And yet it was done. Here the ultimate problem is the same, but it takes the opposite form. We cannot progress one inch further in the direction of popular government until the central legislative is unburdened of every function which provincial governments might assume.

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The practical difficulties are immense. Already it is said that some members of the Commission, when confronted with these difficulties, are wavering in their belief that reform is possible. The situation is exactly that of a man whose large and complicated business has got beyond his personal control. The difficulty of changing the system and devolving a great part of his business on subordinate managers seems to him insuperable. That they seem to him so is itself a sure symptom of overstrain in the head of the business. The plain answer to all these difficulties is the answer which his business and medical friends will give him, that unless he can devolve a great part of the burden there is nothing before him but bankruptcy, a lunatic asylum, or else his grave. As we found in the war, it is wonderful what men can do when once they realise that sheer destruction is the penalty of failure. If the Speaker's Commission fails to evolve a scheme, the question will not be closed by that failure. Some other means of solving the problem must be found, or constitutional government in this country will perish. We cannot give the vote to millions of electors and then leave them to discover, as they are already discovering, that the vote gives them no real control. They must have results; and if votes bring no results they will turn in despair to the strike, which seems at any rate to yield results of some kind. But the difference between government by vote and government by strike is the whole difference which divides a society based on reason and persuasion from one which is founded on pure force. Society founded on force is anarchy, from which the only redemption is through the dreary road of dictatorship. Sooner or later men will return to government by reason, to constitutional methods, or, in plain words, to government by the vote. It is only for want of constructive statesmanship in a crisis that they may leave the land of promise for slavery in some Egypt, and then wander in the wilderness for years before they regain it.

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That their Constitution has fallen so far behind the needs of the time, the people of this country have largely to thank its admirers. To some it has become the Ark of the Covenant, a thing too sacred for profane fingers to touch. In general, its worshippers are obsessed with forms and practice. To solemn chants and through clouds of incense the British public have been taught to expect that their Constitution will broaden down from precedent to precedent. Too little attention has been paid to the dynamic principles that gave it vitality and once rendered it an instrument which, better than all others, enabled the nation to learn the hard lessons of experience and give effect to them. While principles abide for ever, conditions are constantly changing, and the organs whereby principles are applied to practice must change with them, unless they are to perish. Such changes, however, must be the work not of blind growth but of human intelligence, which cannot continue to operate unless the principles are grasped. We must ever be watching the change of conditions, ever examining the mechanism to see whether it is still applying the original principles upon which it was designed. As in religion, so in politics, we are always in danger of losing the spirit by keeping the letter.

On the other hand, we are apt to forget that this constitution was something more than the instrument under which these islands are governed. It is, in fact, the constitution of more than one-quarter of the human race, and the basic principle upon which it rests has only been extended to a fraction of that quarter. The vast majority of those who live under British rule are of races to whom this principle is strange, and before this war no serious effort had been made to apply it to their government. Because the native inhabitants of Asia and of Africa had never developed these principles for themselves, it was widely assumed that they were by nature incapable of learning them. Like Athens and Rome, we embarked on the dangerous experiment of using a popular constitution as an

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instrument for governing dependent peoples. Like them we developed the most dangerous of all political structures—an empire. We have sometimes failed to see that in the long run the principles of self-government and those of perpetual dependency cannot be harmonised within the limits of one political system. In time the one must encroach on the other. If a commonwealth attempts to govern subjects without preparing them to share in the work of government, the process is bound to react and will end, as in Rome, by killing the principle of the commonwealth at its centre. It is by no means true that a commonwealth must at once extend its suffrage to all its subjects or cease to be such: for a commonwealth rests not on the government of all, but only on that of all those who are fit to govern. But in living organisms no stable equilibrium is ever attained. When they cease to grow they begin to decay. A living body can only exist by transforming into its vital tissues and making an organic part of itself the inorganic bodies it absorbs. It cannot for long contain in its belly matter which it does not digest. And so in a commonwealth the first principles of its policy must be to fit all the communities brought within its circle to share in its government and in their own.

These truths have only to be stated to be obvious. Yet how little they were realised is shown by the palpable shock sustained by considerable sections of the public when they realised the meaning of the famous Declaration of August, 1917, on the subject of Indian reform. That announcement, made as it was when the Russian defection had brought the cause of the Allies within an ace of perdition, attracted but little notice at the time, except in India. The visible surprise to British opinion came with the publication of a scheme which brought home to the minds of the public the fact that the British Government really intended to give effect to the policy announced in the previous August. But four years of war had done more to prepare the public mind for the change than decades of

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peace. The call which it made for immeasurable sacrifice of life and wealth had at length forced the conservative British mind to consider what was the cause for which it was fighting. They had suddenly come to realise that their Commonwealth stood not merely for the wealth it secured to them, nor even for safety, but for certain principles. When men in millions were being called to sacrifice their lives in Flanders and France and to swell the Tigris, Euphrates and Jordan with their blood to defend those principles, it became clear to everyone that they could not be questioned in India. If we called upon Indians themselves to give their lives for them, it was not enough to admit those principles as applicable to themselves in the abstract only. Some attempt must be made forthwith to apply them in the actual government of India itself.

Events have so fallen out that engagements made in the darkest days of war have only matured in the brightest hours of peace. The British Government was open to the charge that those promises were wrung from its weakness and dictated by fear. It is of happy augury that the duty of giving effect to them should only have matured in the plenitude of its power. The laborious inquiries and long deliberations necessary for translating the simple terms of the pronouncement into an instrument of practical government have proceeded without delay. It is fair to say that neither the sudden and dramatic reversal of fortune which culminated in the armistice nor the overwhelming tasks of framing the peace have arrested their progress by a single day. Nor is there any reason to doubt that Parliament will prove as faithful to its own engagements as its agents have been. The failure of Parliament to record its final decisions without delay would be one the effects of which would be certain, in Egypt and throughout the British dependencies.

The British Commonwealth is merely the prototype of the polity towards which the whole world is gradually moving. Despotism, anarchy, and savagery are a certain

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threat to civilisation wherever they exist in any part of the world. But the imminence of the menace, of course, depends on geography. We can easily see that the peace of the whole world would not for the present be threatened by prolonged anarchy in South America, by continued savagery in New Guinea, or even by a restored and invigorated despotism in China. And yet we feel by instinct that the existence of such conditions in the regions between the Mediterranean, the Black Sea, the steppes of Thibet, and the frontiers of India are an imminent menace to the peace of the whole world. The explanation lies in the fact that here is the main juncture between two principal systems of human society. The fact that religion rather than race is the main source of conflict in these regions illustrates this truth, for the contending religions have their birth in these regions and are the reflex of the two contending civilisations.

How to enable the people of these regions to maintain order for themselves is a world problem second in importance to no other. Every competent observer knows that they cannot do this for themselves at present. The habits of mind upon which self-government is based cannot begin to develop unless they are policed, advised, and to a great extent administered by some stable power from without. Not even American statesmen believe that the policy of detachment which they have tried so hard to apply to Mexico is possible in the regions of the Middle East. And here we have the curious phenomenon that, while extremists in Egypt and India are denouncing England in terms borrowed from the Italian patriots when they groaned under Austria, large communities are appealing to England to take them under her protection. Some would prefer American protection. But failing America they plead for the rule which their neighbours in Egypt are denouncing.

Why, if England is willing to accept a mandate for Palestine and Mesopotamia, and a virtual though unwritten mandate for Arabia—for the territories that are adjunct to

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those she already controls—is she justified in refusing to consider a mandate for the whole Middle East ? For that is, in fact, what Americans who realise that it cannot be left in the condition of Mexico suggest. The reason is, of course, unanswerable. There is not in these small islands left the human or financial strength necessary to sustain the burden added to those which they bear already. The mere cost of policing Egypt and Palestine is one under which the British taxpayer now staggers. And the Minister of War cannot tell, when war conditions are entirely passed, how his successors will find the men to police them.

The system of free stable society which exists in North America, Australia, and South Africa has been carried to those countries by people who came from these islands. They have left on the people who remained in the British Isles the infinitely difficult task of communicating the practice of ordered self-government to vast communities who have not evolved it for themselves. It is true that though England has established order in regions inhabited by a fifth part of the human race, she is only beginning to attempt the task of training them to preserve order for themselves. But it needs no argument to show how far more rapid progress in this direction would have been if the peoples of North America, Australia, and South Africa could have shared the responsibility with those of the British Isles. Conversely, it needs no argument to show that were the whole burden of discharging this task in every part of the world saddled on the people of the British Isles, the structure which rested on so narrow a foundation would collapse. It is not in the world's interest for England to add further to responsibilities already so greatly out of proportion to her relative strength.

The plight in which the northern communities of the derelict Turkish Empire have been left is tragic indeed. Demoralised by ages of despotism, trampled by war, torn by internal conflicts of races, sects, and religions, they lack

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the primary condition in which alone free government can develop. It is easy enough to find guardians who will undertake to establish order with the strong hand of force. The real difficulty is to find one who can be trusted to render his own presence as temporary ruler superfluous at the earliest possible moment. The best work which England can do is to set the example in the vast territories of which she has already accepted the charge in the Middle East. The more completely she rises to the dignity of her calling the more readily will the younger democracies who have sprung from her loins learn to follow in her steps. But until some such solution is in sight these derelict countries in the Middle East will remain a reproach to civilisation and a menace not only to the peace of their neighbours, but to free communities in every part of the world. World wars are the fruit of neglect in free nations throughout the world. No field of anarchy is so remote that their vigilance can safely ignore it.

EUROPEAN RECONSTRUCTION— RETROSPECT AND PROSPECT

"Europe, from the Rhine to the Volga, from Hamburg to the Balkans, will very probably within a fortnight be without government or economic organisation. In the wake of this chaos must come Bolshevism, and its spread will hardly be confined to these limits. The maintenance of order in the territories between the Baltic and the Black Sea, from which the German armies are being withdrawn, has recently been in all our minds, but before the end of the month will not the frontiers of civilisation be already pushed back to the Rhine? Even if the military occupation of Central Europe by the Allies would avert this catastrophe, such a project is probably impracticable. The only possible remedy is food. To-day food is the only basis on which order can be built, and the only barrier against the spread of disorder. Food is government. . . . In the Allied Maritime Transport Council we have already the necessary inter-allied machinery through which an immediate mobilisation of transport and supply can be effected. . . . This is the only League of Nations that we are likely to see until, by its operation, orderly government is once more established in Central Europe and the Near East."—*Extracts from a memorandum dated November 11, 1918.*

EXACTLY a year has passed since Armistice Day, when these words were written. Mr. Hoover, who arrived at Southampton towards the end of November, sailed from Liverpool on September 6th, after laying down his duties as Administrator-General of Relief. This is a convenient moment, therefore, to pause and survey the economic history of the last twelve months.

The words quoted above are a fair sample of the thoughts that occupied the minds of all well-informed observers a

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year ago. There was no lack of realisation in London, Washington and Paris of the dangers that faced the world pending the conclusion of a final peace. Mr. Hoover's voyage was heralded by an exhortation to the peoples of Central Europe ; Mr. Lloyd George and President Wilson alike publicly recognised the duty of the Allies to supply the needs of those peoples during the period of conference and negotiation.

Yet the Allies failed, and if the gloomy forecast of revolution contained in our quotation came true only in one case—namely, Hungary—it was largely because that great agricultural country had experienced fewer privations during the war than its neighbours, because the German and Austrian peoples had become so debilitated that they lacked the energy to revolt. The history of our failure is instructive, but it can only be indicated in the barest outlines.

In the first place, the Supreme War Council, in concluding the Armistice, made a fatal mistake in omitting from it any provision for the immediate employment of the German mercantile marine under the control of the Allied Maritime Transport Council. This vital contribution to the transport problem had to be arranged for slowly and with difficulty in the successive renewals of the armistice.

Secondly, no serious conference of the Allies was held in November in regard to the problem of food supply. Lord Robert Cecil resigned his chairmanship of the Transport Council, and there was delay in making a new appointment. The General Election in Great Britain delayed all international business. Consequently no steps were taken to summon enemy representatives to a formal conference to state their needs and submit them to detailed investigation.

But these errors were of comparatively minor importance. The supreme mistake was due less to the negligence of statesmen than to the pressure of public opinion. The clamour for "de-control" produced its first effect in the

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United States, almost immediately after the signature of the armistice. The whole organisation of the War Industries Board was swept away almost at one stroke. The American representatives on the various economic bodies in London began to go home. The British Ministry of Shipping was affected by the same pressure of opinion, and British shipping was to a great extent released for long voyages irrespective of the needs of Central Europe. While the Governments were hesitating, the economic machinery which was already in their possession melted away.

Add to this a variety of misunderstandings and jealousies: doubts as to whether the existing Food Council should be utilised for the new work of relief or should give way to some other body, Mr. Hoover's decision to establish himself at Paris and the consequent shifting of American experts across the Channel, suspicions of British designs entertained by American officials like Mr. Hurley, the chairman of the Shipping Board, and similar suspicions on the other side as to American policy in regard to food prices—and some idea may be gained of the unpreparedness of the Allies to meet the most difficult and dangerous problem that has ever confronted economic statesmanship.

Finally, a few words must be said as to the blockade. Roughly speaking, the American view was that the blockade should be raised immediately. The British view was that it must be formally maintained in order to keep in being the elaborate machinery in neutral countries on which its whole operation depended, and the dissolution of which would render it impossible to re-impose the blockade in the event of a rupture of the peace negotiations. According to this British view, only certain lanes, clearly defined, should be opened through the blockade for the conveyance of foodstuffs and other necessities of life under the control of a competent Allied authority. This view was reasonable, but unfortunately, as already explained, the competent Allied authority did not exist. The existing authority,

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centred at London, was fading away, and no decision had been taken for the formation of a new one at Paris.

The confused and spasmodic negotiations thus inaugurated only bore fruit in February, when the Supreme Economic Council was at last established at Paris, and Mr. Hoover was definitely appointed Administrator-General of Relief. During the next four months the Council did wonders, but no effort could retrieve the lost opportunities of the three wasted months.

This fragment of history is instructive because we may well be on the verge, at the present moment, of repeating the mistakes of a year ago. We have already had another long delay. The Supreme Economic Council has been in a state of suspended animation since August ; the American representatives have been withdrawn from it pending a decision by the American Congress on the Treaty of Peace and the Covenant of the League of Nations ; the Council can do little or nothing until, in some form, it is taken over by the League. The autumn months have slipped by ; winter has already found us unprepared. Even when, a few weeks hence, the League is definitely set up, the Governments may delay the organisation of its economic side, and may fail to take advantage of the machinery and the goodwill built up by the Supreme Economic Council, unless an enlightened public opinion presses for immediate action. There is just now much vague talk about international economic action, but public opinion must be concentrated on certain practical points if it is not to waste itself in futile oratory.

One point is clear. The failure of a year ago was fundamentally due to the absence of a permanent and recognised centre of international discussion. It was the final and convincing proof of the need for a League of Nations, with definite constitutional organs, a fixed place of meeting, and a permanent administrative staff. The United States had never whole-heartedly accepted participation in inter-Allied machinery ; its economic representatives

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in London, to whom the world owes more than it yet realises, lacked influence with the Government at Washington ; until Colonel House's arrival at Paris, no American political representative took part in the meetings of the Supreme War Council. It was this, more than anything else, that prevented the formation of a definite plan of action before the signature of the armistice. Public opinion needs to insist, at this moment, that as soon as the United States ratifies the Peace Treaty, the first meeting of the League shall be immediately summoned at Washington ; it needs to insist, further, that the Council of the League shall, as soon thereafter as is physically possible, hold its first series of meetings at Geneva ; and finally, it needs to insist that the Council shall be formed, not of mere representatives of the Governments, however brilliant, but of the responsible heads of Governments themselves, armed with full discretion and full control over the resources of their respective nations. No Parliamentary exigencies, no industrial crises at home, no domestic political problems or controversies, must prevent Mr. Lloyd George from attending the meetings at Washington and Geneva.

But public opinion must also realise that, while the economic situation in Europe and the Near East is even worse than a year ago, the problem of finding a remedy has radically changed. The British view a year ago was that war machinery should be retained during the period of transition, and that the Allied Governments themselves should organise the work of relief. American opinion, which was at first inclined to meet the problem merely by throwing down the blockade and letting private enterprise loose, eventually came round to more or less the same view, while British opinion as to the maintenance of the blockade was at the same time considerably modified. But to-day war machinery has passed away ; "de-control" is in great measure an accomplished fact. Moreover, the problem is no longer one of mere relief—though much more relief must be done by the Governments during this winter if

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starvation and chaos are to be averted in many regions of Europe. The problem now is the restoration of the whole structure of economic life. Our business is not simply to keep European populations alive, but to make European nations solvent. This can now only be achieved by private enterprise, by the operation of the commercial system of the world. Government action must be confined to a few points where voluntary commercial agreement and combination cannot alone suffice to cope with the emergency.

Three main objects stand out as the proper sphere of Government action—that is, the action of the League. The first—a merely temporary expedient—must be to supplement commercial enterprise and commercial credits in the matter of food supplies for Central Europe and the Near East during this winter. The organisation built up by the Supreme Economic Council and by Mr. Hoover throughout Central and Eastern Europe and in Asia Minor still exists, at least in skeleton form, and much active work is being done in Vienna, Budapest, and elsewhere. But money and staffs are lacking, and have to be supplemented by private charity and volunteer assistance. The League must systematise and consolidate these efforts, and, if a scheme for joint action and pooling of responsibility cannot be worked out in time, responsibility for defined regions must be apportioned between Britain, America, and other nations. This is nothing but emergency action, but it is urgently necessary from the political as well as from the humanitarian point of view, and the economic activities of the League in this direction must be conducted in close touch with the Council of the League as representing “high policy.” Food is still government throughout Central and Eastern Europe and Asia Minor.

The second object of Government action must be to set the Reparation Commission to work without any further delay. At present neither Germany nor Austria has any credit at all; they can pledge no form of security against foreign loans without the consent of the Allied Govern-

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ments, and it is very doubtful whether the Reparation Commission has any authority to take a decision in such matters. Its members are assembled at Paris, but they have hardly yet held any formal meeting. Have they yet even compared their instructions from their respective governments? Have any definite instructions been issued? How far does their discretion run? These questions require an immediate answer, and public opinion should insist, first, that the Commission should be instructed to fix Germany's and Austria's maximum liabilities as soon as possible; and secondly, that meanwhile the Commission should have wide discretion to authorise the pledging of certain classes of German and Austrian securities against foreign credits for food and raw materials.

The third object of Government action relates to that function which all civilised Governments retain in their own hands, but on which all commerce and all prosperity depend—the regulation of the currency. This is not the place to enter upon any detailed consideration of international exchange problems, but there are two simple points to which the attention of the League must be first directed. The governments must be prepared, over a considerable period, to supplement private credits for the supply of raw materials and the necessities of life and industry to the “depreciated-currency” nations. Of necessity this burden must, in the last resort, fall mainly upon the United States, as the possessor of the gold reserves of the world, though Britain can also bear some part of it; and public opinion must realise that such responsibilities cannot be shifted from the shoulders of national governments by any ingenious manipulation of the machinery of the League. Schemes for an International Bank, like schemes for an international police force, are too often a camouflage for national irresponsibility. In so far as national resources and credits can be pooled, such schemes have a very real value; but whether the League acts by pooling or, as is more likely in the immediate future, by apportionment of

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responsibilities, it is only the nations themselves that can make the contributions required ; and those contributions must take the form, not of any spasmodic humanitarian subscriptions for “relief,” but of a considered investment on a large scale in the reconstruction of Europe. At present, both in Britain and in America, public opinion, under the joint influence of the campaign for economy and suspicion of everything that comes from the Nazareth of Central Europe, bids fair to hinder rather than to assist the solution of the problem. It is necessary to insist upon the only possible alternative to the policy outlined above. That alternative is that the “depreciated-currency” nations, including France, Italy and Belgium as well as our late enemies, will be forced to deal with each other to the exclusion of the United Kingdom and the Western Hemisphere ; that Continental Europe will be driven by economic necessity into a political bloc ; and that, in particular, Germany and Russia will be attracted to each other and may well become jointly the centre of gravity of the new Europe. Along this path lies a *Mittel-Europa* stronger and more dangerous even than that dreamed of by German enthusiasts in 1915.

But, as a corollary, the League must as one of its first duties agree upon the conditions to be observed by the “depreciated-currency” nations in return for any government credits placed at their disposal. Those conditions must be directed to the deflation of their currencies, and must especially provide against all expenditure in excess of revenue during the period of the credits to be granted. Such an agreement is necessary, not only as a remedy for inflation, but also in order so far as possible to forestall jealousies between the members of the League. Such jealousies, arising specially from the keen commercial competition inevitable between Britain and the United States, will in any case render difficult any apportionment of responsibilities between those two countries, and public opinion will have to insist on moderation and unselfishness in its representatives ; but if Governments are left free to

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offer special advantages in return for special privileges in their loan agreements, for political or politico-commercial ends, these jealousies will inevitably grow to fever-heat, and we shall find ourselves quickly in that atmosphere of competitive concession-hunting from which the Great Powers, even before the war, were trying to escape in China.

This is only the roughest sketch of some of the most elementary problems that lie before us. Europe is in a state almost of dissolution. If the victory of the Allies is not to be turned into a world-wide disaster, is not to be followed, as it has been followed during these months, by miseries even worse than those of war, the decay of whole populations, ending either in political chaos or in mass migrations, then Western public opinion must be aroused from its present carelessness and its absorption in domestic policies and conflicts of, after all, minor importance. This sketch is no contribution to the solution of the world economic problem, but it may furnish a guide to those who watch the actions of the Governments. If these elementary points are not dealt with in the next few months we may at least be sure that the problem is not being seriously considered, and by insisting on these public opinion will at least impel the Governments in the right direction.

THE RAILWAY STRIKE

AT the end of September, for the first time since the Armistice, the Government found itself engaged in a public trial of strength with a powerful, well-organised section of the Labour movement. The struggle began on the night of Friday, September 26, when upwards of 400,000 members of the National Union of Railwaymen and the Associated Society of Locomotive Engineers and Firemen ceased work in obedience to instructions from their executive committees, as a protest against the method by which the Government proposed to fix new permanent standard rates of wages for all grades of railway workers other than drivers, firemen, and cleaners. For nine days the railwaymen withheld their labour in the hope of paralysing the inland transport services and forcing the Government to their knees. They failed, and the battle ended inconclusively, in the sense that neither side was crushed into unconditional surrender. On Sunday, October 5, as the result of a series of conferences with the Prime Minister at 10, Downing Street, terms of settlement were arranged which enabled both parties to claim a victory; and on the same night the railwaymen were ordered by their leaders to return to work.

This, in the briefest possible space, is the story of the great railway strike of 1919. To begin at the real beginning of the story, it is necessary to go back at least thirteen years. In 1906 the railwaymen, who were then split into half-a-dozen or more trade unions, including the Amalgamated

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Society of Railway Servants, the General Railway Workers' Union, the United Signalmen and Pointsmen, and the Associated Society of Locomotive Engineers and Firemen, formulated through the A.S.R.S. a demand for an eight-hour day for all men engaged in the manipulation of traffic and immediate increases of pay, especially for overtime and Sunday work. In the following year, owing to the refusal of the railway companies to meet the A.S.R.S. for the discussion of this programme, a national stoppage was threatened. Mr. Lloyd George, then President of the Board of Trade, intervened and brought about a settlement, which relegated the negotiation of the programme to a series of conciliation boards. Four years later, in 1911, a strike began in Liverpool, and quickly extended over the whole country, against the dilatoriness of the conciliation boards and the refusal of the companies to give full recognition to the trade unions in the election of the boards. The strike lasted for four days. It led, by way of a hurried inquiry by a Royal Commission, to a remodelling of the conciliation boards on lines which went some distance towards the removal of the railwaymen's criticisms. During this strike the four unions already named worked in co-operation, and in 1912 three of them were fused to form the N.U.R.; only the A.S.L.E. and F. remained outside the amalgamation.

In June, 1914, the N.U.R. held its annual conference at Swansea, and at this meeting it was decided not only to bring the conciliation scheme to an end in December of that year, but also to promote vigorously a new national programme, of which the chief items were the eight-hour day and a wage advance for all grades of 5s. a week. Several meetings were held with representatives of the railway companies for the negotiation of a new conciliation scheme and the concession of the hours and wages demands, but nothing had been settled when the war broke out in August. It will not be denied by anyone who knows the state of feeling among the railwaymen at that time that, but for

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the outbreak of hostilities abroad and the conclusion of an industrial truce at home, the railwaymen would have embarked on a second and more formidable national strike in the autumn of 1914. In view, however, of the national emergency a temporary arrangement was made for the preservation of peace between the railwaymen and the railway authorities. This truce did not preclude further attempts to negotiate a new conciliation scheme, and considerable progress in that direction was, in fact, made in the first year of the war; but the N.U.R. insisted throughout that their executive must conduct all negotiations of a national character direct with the railway companies, and they stood fast also on one or two other contentious principles, with the result that to this day the 1911 scheme is still in abeyance, and no fresh scheme has been established in its place.

It is important to note that only the outbreak of war prevented an almost inevitable clash between the railwaymen and their employers on a national programme which provided for higher wages and shorter working hours. To recount the history of successive wage demands of the railwaymen during the war is unnecessary. Suffice it to say that when the armistice came the railwaymen were receiving, in addition to their pre-war rates of pay, a flat-rate war wage of 33s. a week, granted by instalments to meet the gradual increase in the cost of living. The "outbreak of peace" was the signal for the presentation to the employers—represented by the President of the Board of Trade—of the railwaymen's national programme, which had been suspended owing to the war. The programme—or rather, the programmes, for the N.U.R. presented one and the A.S.L.E. and F. presented another—included the original pre-war demand for an eight-hour day. But many new items were included as the result of a special conference at Leicester in November, 1918; and among them were:

- (1) war wages to be converted into permanent wages;
- (2) conditions of service to be standardised on all railways;

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and (3) equal representation, both national and local, to be given to railwaymen and their employers on the management of all railways.

The first of these demands, for the eight-hour day, was conceded by the Government last January, and the new working hours came into operation (not without some friction and an actual stoppage of work on the London underground railways) on February 1. Negotiations on other items in the programme went on fitfully until March 31, when a settlement was reached on several minor points ; and it was agreed that there should be no reduction of the war wage before the end of the present year.

The following is an extract from the Agreement :—

The present wages to be stabilised till December 31, 1919, and any reduction of the war wage under the agreement of November, 1918, to be waived.

As regards standardisation of rates of pay and removal of present anomalies, this can only be dealt with in connection with a general revision of permanent wages and, therefore, it is proposed that the present negotiations shall be continued for fixing new standard rates, so as to ensure that all men throughout the country shall receive the same payment for the same work under the same conditions.

This will involve a transfer of a part of the war wage to the permanent wage, but the Government agrees that up to December 31, 1919, no man shall receive less in weekly rate of wage, plus war wage, than he is receiving at present, while anyone to whom the new war wage and new rate yield more than they are receiving at present, shall receive the advantage as soon as an arrangement is arrived at.

At the end of the year the whole situation will be reviewed. The war wage will have to be looked at in the light of the circumstances of the time generally, and it will be open to the men to ask for a revision of the new standard rates if they think a case can be made for it. But the anomalies of varying pay for similar work under similar conditions will have been removed, and future negotiations will be rendered much easier through there being only one set of figures to work upon.

From the date of this agreement until June, meetings were held more or less frequently between representatives

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of the two unions and the Railway Executive Committee, which acted for the Government, to consider the standardisation of conditions of service on all railways. It should, perhaps, be explained, that each of the railways had before and during the war its own system of grading and its own practice in regard to calculation of time, meal times, special train duties, rest periods, clothing, etc. Thus it was possible that railwaymen working for three different companies serving one centre or even one station (*e.g.*, the Central Station, Manchester, which is served by the Midland, Great Central, and Lancashire and Yorkshire Railways) might be doing the same kind of work for different rates of wages. Again, a workman in a particular grade (say, a goods guard) on one part of a railway system might be receiving a different wage from that of a workman in the same grade on another part of the same system. In demanding standardisation the railway unions aimed at the removal of these varying conditions, which they regarded as indefensibly anomalous.

The negotiations finally became narrowed down to the question of new standard rates of wages, other and smaller questions having been disposed of. Various offers for all grades were made by the Railway Executive Committee, and rejected by the representatives of the men on the ground that the rates proposed were too low and not reasonably comparable with those paid in other industries. After many fruitless conferences it was agreed to deal separately with the drivers, firemen, and cleaners, the three grades for whom the A.S.L.E. & F. catered exclusively, but for whose support, in addition to that of all other classes of railway workers, the N.U.R. was in keen competition with the Society. It was plainly stated at the time by the spokesmen for the N.U.R. that when the time came they would deal with the case of the other grades, as they intended to deal with these three cases, "on their merits." The Government put forward proposals for new standard rates for the three grades. Under pressure

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from the unions they altered their proposals twice in an upward direction. Eventually, on August 20, an agreement was reached by which new rates were fixed for drivers and firemen, which meant in most cases an immediate increase on their present earnings.

The next stage was the formulation of new standard rates for guards, porters and other workers in grades not embraced in the first scale, and it was here that the contention between the railwaymen and the Government began to be acute. On September 16 the Executive of the N.U.R., "feeling," as Mr. J. H. Thomas put it, "that the situation among their own men was getting out of hand," went to the President of the Board of Trade (Sir Auckland Geddes) and urged him to present his proposals for the other grades. "Having regard to the delay," Mr. Thomas has admitted,* "I stated quite clearly to him that I hoped that when the proposals came they would be final proposals. . . . I hoped it would be understood that we did not want any further proposals as a mere jumping-off ground, but as a final offer."

On September 18 Sir Auckland Geddes sent to Mr. Thomas the Government's proposals for some of the outstanding grades. They were framed on the basis that the new standard rate for each of these grades should be 100 per cent. above the average pre-war rate for the grade, with a minimum of £2 a week for the lowest-paid grade. Thus a porter whose pre-war wage was from 16s. to 22s. a week, and whose present wage (including 33s. war wage) is from 49s. to 55s., was offered a new minimum wage of from 40s. to 49s. Similarly, a goods guard whose pre-war wage was from 25s. to 35s. a week, and whose present wage is from 58s. to 68s., was offered from 46s. to 60s. In every case, under the agreement of March 31 already cited, there could be no reduction of the present wage before December 31. In forwarding these proposals to the

* Official Report of deputation to the Prime Minister, September 25.

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N.U.R., Sir Auckland Geddes intimated that he had observed the request of Mr. Thomas that he should avoid any attempt at finesse. He wrote :

I trust that your executive will realise that this will be a very heavy burden for the railways of this country to stand, and I therefore wish you to understand that the proposals contained in the attached memoranda are not put forward as a basis of negotiation, but as a definitive offer of the Government . . . You will hear from the Railway Executive in the course of the next day or two suggesting dates for the sub-committees to meet to settle any details of the scheme outlined in the enclosed schedules and to discuss any anomalies that may be found to exist.

Mr. Thomas sent on September 19 the following reply :

My Executive Committee considered the proposals immediately they arrived, and it would be unfair to you if I did not at once say that they were unanimous in their declaration that the proposals are not such as to justify the hope of their being the basis of a satisfactory settlement ; but, so that the matter may not be prejudiced and the case considered as a whole, they have decided to defer their final decision until we are in receipt of the proposals covering the other grades, which I understand from your letter will arrive in the course of a day or so.

Simultaneously with this correspondence, letters passed between Sir Herbert Walker, acting chairman of the Railway Executive Committee, and Mr. Thomas. Sir Herbert Walker invited the railwaymen's sectional sub-committees to meet the Railway Executive's sub-committees to settle details and discuss anomalies, but Mr. Thomas's executive declined the invitation.

On Monday, September 22, the Government's proposals for the remaining grades were forwarded to the Union, with an intimation that they were subject to the same conditions as to finality as the earlier proposals. The railwaymen were also informed that the negotiations had now passed, on the Government side, into the hands of the newly-created Minister of Transport, Sir Eric Geddes. The reply of the N.U.R. Executive took the form of the

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following resolution, passed on Tuesday, September 23, and immediately forwarded to the Government :—

That, having received further proposals from the Government laying down basis rates of wages for the various grades in the Conciliation Board schemes other than drivers, firemen and cleaners, this Executive Committee notes the great difference between the rates suggested by this organisation and those submitted by the Government, varying, in certain cases, up to 16s. per week, and as this offer would ultimately mean such a serious reduction to many of our members that would not allow them to maintain a decent standard of life, we instruct the General Secretary to at once inform the Government that their offer cannot be accepted by us, and that this Committee is at present in session awaiting a further offer. In the event of such further offer not being received by 12 o'clock noon on Thursday, the 25th inst., we shall have no alternative but to instruct our members to cease work in support of our claims.

We further instruct the General Secretary to immediately get into touch with our branches, and instruct our members to hold themselves in readiness to act upon any instructions issued by this Executive Committee.

Up to this point the public had not been allowed, either by ministers or by the railwaymen's leaders, to know what had been passing between them. But on the afternoon of September 23 Mr. Thomas announced through the Press that "we are rapidly approaching a crisis" and "a rupture seems inevitable." At first there was an inclination among some sections of the public to dismiss the warning as mere "bluff." It was pointed out that Mr. Thomas was rather given to indulgence in the morbid pastime of making the public flesh creep. Mr. J. Bromley, secretary of the rival society, declared that he was unaware of any crisis. On the following day, after consultation with the Prime Minister and his Cabinet colleagues, Sir Eric Geddes invited the railwaymen to confer with him. Accordingly on Thursday, September 25, Mr. Thomas and his Executive had a conference, first with Sir Eric Geddes, at the offices of the Ministry of Transport; and afterwards with the Prime Minister, at 10, Downing Street. The discussions were overshadowed by the fact which was now common know-

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ledge, that instructions had already been issued to members of the N.U.R. to cease work at midnight on Friday unless they received countermanding instructions in the meanwhile. At the Thursday conference the Prime Minister suggested that the strike order should be suspended until the negotiations were completed, but the railwaymen were unwilling to take that course, and the conference ended without any material change in the situation. The railwaymen were at Downing Street again on Friday morning and received the Government's amended offer. The Prime Minister proposed :—

(1) to extend, until March 31, 1920, the guarantee against any interference with war wages ;

(2) to undertake that any residue of war wage not absorbed in the new standard rates should continue to be paid until the cost of living, which was 125 per cent. above pre-war level when the 33s. was awarded and was now at 115 per cent., had fallen to 110 per cent., and remained at or below that level for three months ; (This, it was later explained, meant that there would be no reduction of wages until March 31, 1920.)

(3) to discuss with the railwaymen by what method the residue of war wage should then be readjusted ; and

(4) to consider any anomalies or cases of hardship to particular grades which might be proved in the application of the new standard rates.

Mr. Thomas appeared at one point to be inclined to close with this offer, but he overheard a whispered remark by Sir Eric Geddes to the Prime Minister, with regard to a question of interpretation, that " We could not do that," and his resentment at this seems to have turned the scale against acceptance. The railwaymen's executive, after considering the offer in private, resolved unanimously that it would not be a settlement acceptable to their members, and that they were therefore forced to confirm the strike order to the branches. Mr. Thomas, in announcing this decision to the Prime Minister, declared that at midnight the railways would be paralysed. The Prime Minister warned the railwaymen that the responsibility for the conflict rested wholly on them

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There the history of the origin of the strike and the steps taken to avert it comes to an end. At midnight the strike began, and by Saturday it was complete. Mr. Thomas had boasted that his men would be solid, and his confidence was well founded. Nor did the N.U.R. strike alone. On the day on which the strike began Mr. Bromley wrote to Mr. Thomas in the name of the Executive Committee of the Associated Society pledging their active support to the other grades in the effort to secure better terms from the Government, and when the members of the larger union ceased work the members of the rival society stopped with them. Thereafter, until the strike ended and in the subsequent negotiations, the two executive committees acted in close partnership. Everywhere the railwaymen, except a very small number of non-unionists, left work or refrained from going to work, and the railway services were brought virtually to a standstill. Passengers were stranded on the line, and trainloads of milk, fish, and other perishable goods were left to decay where they stood. For all practical purposes the stoppage of the railways was complete for the first two or three days of the strike.

The Government, needless to say, were not idle. They took the view that the strike must be fought with all the resources of the country. Fortunately they had already prepared (it had been got ready in February, when the Triple Alliance was threatening a general transport and coal strike) a plan of campaign for the maintenance of the essential public services and particularly the distribution of food supplies. Taking advantage of the powers which the Government still wielded under the Defence of the Realm Act, the Food Controller immediately armed himself with authority to requisition all horses and road vehicles suitable for the transport of goods by road. Strict rationing of meat, bacon, and margarine was reimposed; hoarding was prohibited; and public meals were restricted. Particular attention was given to the maintenance of the milk supply of London. The milk was taken by the farmers

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to pre-arranged spots, where it was collected by motor-lorries for conveyance to Hyde Park.

The Park was converted into a clearing station; wholesalers drew their supplies there, and passed them on to retailers in the ordinary way. So smoothly did these plans work that the effect of the strike on the food supplies of the big towns was almost unnoticeable. Other Departments also took steps to cope with the situation. The War Office suspended all leave and demobilisation. The Board of Trade imposed drastic limitations on the export, distribution and consumption of coal and the use of gas. The Ministry of Labour extended the out-of-work donation on a modified scale to the involuntarily unemployed. The Ministry of Transport, in addition to co-operating with the Food Ministry, the Post Office and other departments which were thrown back by the strike to transport by road, set up an organisation for the enrolment of volunteers to replace the strikers in the manifold tasks of running the railways. Volunteers from all classes of society poured in tens of thousands into the enrolment offices. Some of them could be put to work at once, while others needed a short course of training. Thanks to the small body of railwaymen who had remained at their posts, and the army of voluntary workers who had come forward, a skeleton service was maintained on all the railways. One or two isolated cases of attempted sabotage and several assaults on volunteers were reported, and after the strike had continued for a few days the Home Secretary issued an appeal to all loyal citizens to enrol themselves in Citizen Guards, to be organised by the local authorities, for the protection of life and property. The Government apparently contemplated the formation of a body analogous to the Special Constabulary which had done splendid service during the war. The emergency time-tables grew longer every day, and by the end of a week well over 2,000 trains were running daily, not including the London underground trains. The strike was not broken, but the efficacy of the strike as a means

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of throttling the country and starving the public into coercion of the Government, was destroyed by the promptitude and thoroughness with which the Government set to work to thwart the strikers and, still more, by the wonderful resourcefulness, doggedness and phlegm of the general public. Aeroplanes and river steamers were called into service. People living some distance from their places of work endured overcrowding in omnibuses and trams, or cycled, or walked, or begged for a lift in a passing motor lorry; any means of transport would satisfy them, so long as they could go to business as usual. Not even during the war had the people shown themselves more steady of temper and firm of purpose. From the first it was believed that the strike was a blow against the community, and it was as though the community set its feet to withstand the shock.

There were, of course, some sections of the community whose sympathies were with the railwaymen. Before the strike had even begun, the Executive of the London and Provincial Vehicle Workers' Union had been summoned to a meeting to consider the question of calling a sympathetic strike of tramway and omnibus workers. Four days after the declaration of the strike the Executive of the Transport Workers' Federation, after consultation with the strike leaders, stated publicly that no efforts of theirs could definitely restrain their members from taking drastic strike action in support of the railwaymen, and added that they would "stop at nothing in order to defend the long-established principles of trade unionism, and the right to defend wages constitutionally secured." The statement was signed by Mr. Harry Gosling, Mr. James Sexton, M.P., Mr. Ernest Bevin, and Mr. Robert Williams. At the same time Mr. Thomas issued an announcement that he had received offers of help from other trade unions (the electricians were restless, and certain newspaper printers had taken the unprecedented and ominous course of trying to censor the "copy" they were required to print),

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and he added that he had now come to the conclusion that he would no longer refuse these offers. The outlook, in view of these developments, was perceptibly darkened.

Events, however, proved that the turning point in the struggle between the Government and the railwaymen had been reached, and from October 1 onward an ending of the strike by agreement became more and more certain. On that day, the fifth day of the strike, representatives of the transport workers, general labourers, postal servants, printers, engineers, and other trade unions involved or threatened to be involved in sympathetic action, met at Caxton Hall, and sent a deputation of eleven to see the Prime Minister on the question of a resumption of negotiations with the railwaymen. The following were the considered terms of the Prime Minister's reply :—

If I am asked to see the Executive of the N.U.R., my answer is that I shall be ready to meet them and hear what they have to say, but you will, I am sure, agree with me that there is nothing to be gained by any ambiguity, more especially as there has been a good deal of misunderstanding already.

I want, therefore, to make it clear that in the opinion of the Government it would be quite impracticable to continue negotiations until work is resumed. Apart from other considerations, the Ministers who would be concerned in the negotiations could not possibly attempt to deal with the questions involved while their whole energy is devoted, as it must necessarily be, to improvising means of carrying on the life of the nation.

This reply was conveyed to the railwaymen by the eleven intermediaries, and the same evening the railwaymen went to Downing Street for the first time since the previous Friday. They had a further conference at the Prime Minister's residence on Thursday, October 2, but made little or no progress towards a settlement. The Government at this conference made the following proposals as a basis on which negotiations should be continued :

1. That upon the men now on strike returning to work negotiations shall be taken up where they were broken off last Friday

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2. That in accordance with the offer made by the Prime Minister on Friday last, the Government guarantee that there will be no reduction in wages till March 31, 1920, and the Government undertake that any time after December 31, 1919, they will be ready to discuss in view of the circumstances then existing the possible extension of that date.

3. That the Government are prepared to discuss with the railwaymen any unfairness or hardship affecting any particular grade of workmen through the operation of the scheme of standardisation already put forward by the Government, and to consider any anomalies as between the various grades in the application of the percentage of increase proposed to be made for each grade.

4. In the event of failure to agree upon any questions arising out of the matters mentioned in paragraph 3 the points of difference shall be referred to arbitration.

The N.U.R. declined to accept these terms, and on Friday, October 3, the mediators were again at Downing Street. At this meeting the Prime Minister proposed that the N.U.R. should agree to a truce in the strike for a limited period of a few days, in order that negotiations might be resumed with a view to reaching a settlement. The National Union of Railwaymen agreed to the suggestion, but only "on condition of the Government being prepared to agree to work out a basis of standardisation which shall operate in the same manner to the various grades as in the case of those grades for which a settlement has been effected." The Government rejected this proposal on the ground that the grades referred to were dealt with, as was claimed by the railwaymen, on their special merits and on the understanding that the other grades now in dispute would be treated on their merits; and that the demand made now was only a repetition of the original claim which had already been declined.

The Prime Minister then made the following counter-proposals :—

The Government are prepared to agree to a truce of seven days, to count from the full resumption of work, in order to discuss—

1. The period of the stabilisation of wages.
2. Any alleged unfairness or hardship affecting any particular grade of workmen through the operation of the scheme of standardi-

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sation already put forward by the Government, and any anomalies as between the various grades in the application of the percentage of increase proposed to be made for each grade.

In the event of failure to agree upon any questions arising out of the matters mentioned in (1) and (2) the Government are prepared to submit the question in dispute to arbitration.

If at the end of five days after the full resumption of work the representatives of the men come to the conclusion that the negotiations cannot be brought to a satisfactory issue they will undertake to give 48 hours' notice before any cessation of work takes place.

If negotiations be again broken off, the men agree to hand over all plant in good working order and to run all trains to their destination.

The men agree to work harmoniously with the railway servants who have remained at or returned to work.

The Railway Executive undertake that there will be no victimisation of the men who have gone on strike.

This proposal was rejected by the railwaymen, and the fight continued. But the trade union mediators, whose number had been increased to fourteen by the addition of Mr. Bowerman and Mr. Stuart-Bunning, representing the Trades Union Congress, and Mr. Frank Hodges, the miners' secretary, did not relax their efforts. Saturday was another day of conferences, and Sunday morning saw the strike leaders once more at 10, Downing Street. This time they did not leave without effecting a settlement. The following are the terms of the agreement, which was signed by Mr. Lloyd George for the Government and Mr. Thomas for the N.U.R. :

1. Work to be resumed forthwith.
2. On the full resumption of work negotiations shall be continued with the understanding that they will be completed before the 31st December, 1919.
3. Wages will be stabilised in the United Kingdom at their present level up to September 30th, 1920. Any time after August 1st, 1920, they may be reviewed in the light of the circumstances then existing.
4. No adult railwayman in Great Britain shall receive less than 51s. so long as the cost of living is not less than 110 per cent. above pre-war level.
5. The N.U.R. and A.S.L.E. and F. agree that the men shall work harmoniously with the railway servants who have remained

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at, or returned to, work, and the Government and the N.U.R. and A.S.L.E. and F. agree that no man shall be prejudiced in any way as the result of the strike.

6. The arrears of wages which have been withheld in consequence of breach of contract will be paid after the resumption of work.

With comparatively few exceptions, the strikers were back at work on Monday, October 6. The strike had cost the Government, according to a Treasury estimate, £10,000,000, spent mainly on the improvisation of emergency transport services. It had cost the railwaymen more than a week's wages—about £1,000,000—of which some £300,000 was made good by the unions in the form of strike pay. The total cost to the unions, including outlay on advertisements and other administrative expenses, cannot have been less than £500,000. In return for this expenditure the railwaymen had obtained: (1) the almost unrelieved odium of the community at large; (2) the extension until September 30, 1920, of the stabilisation of wages, originally terminable on December 31, 1919, but prolonged, under the Government's second offer, to March 31, 1920; (3) a minimum wage of 51s. so long as the cost of living did not fall below 110 per cent.—a concession of 2s. a week to fewer than 300 country goods porters whose pre-war standard rate was under 18s. a week, or a total addition to the railway wage-bill of less than £1,500 a year.

This is the balance-sheet of the strike so far as the gains to the railwaymen appear on the face of the agreement which ended the strike. As will presently be shown, their actual gain was considerably larger. Before dealing with the broader issues and aspects of the strike, however, it is necessary to consider briefly the merits of the dispute and the motives of the strike. On an impartial examination of the facts set out above, it is impossible to resist the conclusion that the railwaymen spoilt a good case by precipitate action. Granted that they asked on September 16 for a "final" offer from Sir Auckland Geddes, the Minister

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cannot be entirely exonerated for the use of the unfortunate word "definitive" in his reply of September 18. At the best, the course he took was not conspicuously tactful. Nor can Sir Eric Geddes be wholly acquitted of provocation in view of his "whispered aside" to the Prime Minister at a critical stage of the negotiations on the eve of the strike. These, however, are subsidiary matters. The cardinal fact is that the Government had conceded, under pressure from the Locomotive Engineers' Society, advantageous new rates to drivers and firemen, the aristocracy of railway labour, and refused to concede equally good terms to the poorer-paid categories of railwaymen. The reply that the railway unions agreed to deal with the two groups of cases "on their merits" does not touch the point. By the admission of the Prime Minister himself, large numbers of railwaymen were grossly underpaid before the war, and it follows that the claim of these men to new permanent rates on a substantially higher scale was greater than that of other men who could not be said to have been badly treated before the war. In demanding at least equal treatment for 18s. porters and 40s. drivers, the railwaymen were on firm ground.

But when one passes from the merits of their claim to the wisdom of their tactics, it is bound to be admitted that the railwaymen ruined their case. The governing fact here was that until January, 1920, under the March agreement, no railwayman's earnings could be reduced below his pre-war rate plus the full 33s. war wage. The railwaymen were therefore striking against a contingent reduction of earnings which could in no circumstances take effect for another three months. Why, then, did the Executive of the N.U.R. suddenly take, on September 24, the drastic step of issuing orders for a strike on September 26? The answer must necessarily be conjectural, for the strike leaders have made no public disclosure of their motives. Two explanations have been offered. One, already suggested in the earlier part of this article, is that

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they were "bluffing." This assumes that they expected the Government hurriedly to yield to their demands, or at least to advance a long way beyond the terms of their original proposals, and that they never really contemplated a national stoppage of the railways. Against this hypothesis must be set the fact that on the eve of the strike, before they knew what amended offer the Government intended to make, they rejected an appeal from the Prime Minister for a suspension of the strike instructions. The conclusion that some, at least, of them were bent on a strike at all costs is hard to escape. This, indeed, is the second explanation which has been advanced for the abruptness of the strike. The view taken by those who share this opinion is best stated in the following extract from a telegram sent on Saturday, September 27, by Mr. Lloyd George to the Chairman of the County Council at Carnarvon, explaining his inability to fulfil an engagement to speak in that town that afternoon :

The precipitancy of this action gives the impression of a deliberate and matured intention on the part of some individuals to seek a quarrel at any cost. It has convinced me that it is not a strike for wages or better conditions. The Government have reason to believe that it has been engineered for some time by a small but active body of men who wrought tirelessly and insidiously to exploit the labour organisations of this country for subversive ends. I am convinced that the vast majority of the trade unionists of the land are opposed to this anarchist conspiracy. They can see the ruin and misery it has brought in other lands, and their common sense has hitherto guarded their organisations against the control of these intriguers. These men have made many efforts to get hold of the levers of trade unionism. So far all their endeavours have ended in failure. There is no more patriotic body of men in this country than the railwaymen, and their conduct during the war demonstrated that fact. When they realise that they are not fighting for fair conditions of labour for their class, but are being used by extremists for sinister purposes, their common sense will resume its sway and save the country, yea, and their own families, from disaster.

The phrase "anarchist conspiracy" was exploited by the railwaymen's leaders and their trade union sympathisers for

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the inflammation of the strikers' feelings. It was, perhaps, an injudicious rhetorical expression. But behind the statement just quoted there is a big measure of truth. The situation was well described in *The Times* by a writer who, for reasons which will be obvious on reading his statement, was able to be a little more explicit than Mr. Lloyd George. He wrote :—

There are active men in all trade unions, some holding influential and responsible positions in them, who wish to see the overthrow of the present system of Government in this country and the substitution for it of some undefined scheme, which may be modelled on the Soviet system or on some original plan of its promoters. Standing alone, these men would be almost negligible. But there are large masses of workers, not revolutionaries in purpose, who wish to see the overthrow of the present Government and Parliament—not the constitutional system, but the persons who now hold the executive and administrative authority. Those who would overthrow the system had little difficulty in persuading the rest that by plunging the country into a general strike they could force the Government to resign and dissolve Parliament. The real purpose would be kept in the background. The average workman would believe that he was only speeding the accession of a Labour Government to power by getting rid of an unrepresentative Government and Parliament. It is in the failure of men of comparatively moderate views to see the true import of the general strike movement, and the inevitable consequences of a defeat of the State, that the danger lies.

There is enough in these two extracts to provoke earnest thought. A few pertinent facts may be added. At the International Socialist Congress of 1907 it was definitely laid down that the duty of the working-class in the event of war was not only to bring it promptly to an end, but “with all their energies to use the political and economic crisis created by the war to rouse the populace from its slumbers, and to hasten the fall of capitalist domination.” In 1915 one of the foremost exponents of social and industrial revolution wrote that “nothing is more certain than that, for Labour, the coming of peace between nations means the coming of war between classes.” * Repeatedly from

* Mr. G. D. H. Cole, in *Labour in War Time*, 1915, p. 291.

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1914 onward the fomenters of disaffection in the ranks of Labour have been clamouring that the workers should "get on with the only war that really matters." On September 29, when the railway strike was three days old, the *Daily Herald* published prominently a detailed programme, prepared by Mr. W. L. George, for the immediate establishment of a Soviet system in Great Britain. Finally, in a recent issue of the *Worker*, the organ of the Scottish rebels, Mr. John MacLean, the Bolshevik Consul in Glasgow, asserted that the rank and file were thrusting declared revolutionaries into power, and added, by way of illustration, that "Cramp (the railwaymen's president) is gradually taking the place of J. H. Thomas."

The facts of the strike are, of course, capable of a third explanation. It is conceivable that the rank and file of the N.U.R. were so exasperated by the delay in settling their new rates that their leaders really could not hold them in check. The circumstance that the strikers actually returned to work without knowing what terms their leaders had obtained from the Government somewhat weakens this contention, though it does not inevitably follow that the men would have remained at work had their leaders not ordered them to strike. The hailstorm of public execration which had fallen on them between September 26 and October 5 may have made them more ready to resume work on the latter date than they were to remain at work on the former date. But for present purposes this problem may be put aside. Let it be assumed that Mr. Lloyd George's interpretation of the origin and purpose of the strike was correct. What, then, is the explanation of the conciliatory course followed by the fourteen mediators appointed by the other trade unions? They included Mr. Robert Williams, of the Transport Workers; Mr. Frank Hodges, of the miners; and one or two others who, judged by their reputed opinions, might have been expected to jump at the opening given by the railway strike for a general revolutionary upheaval. Yet all the evidence points to a determination on

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their part to prevent any sympathetic extension of the strike. It is an open secret that throughout their persistent efforts to bring the railwaymen and the Government into agreement they studiously avoided anything which savoured of bluster or provocation, and that their whole weight was thrown on the side of peace. Again the explanation can only be surmised, and again their action may be accounted for in several ways. They may have shrunk, when it came to the test, from plunging the country into a general turmoil. Some of the fourteen mediators, notably Messrs. Bowerman, Clynes, Henderson, and O'Grady, would unquestionably use all their influence in the direction of self-restraint. Alternatively, the extremists may have felt doubtful whether the railwaymen's case was sufficiently strong to enlist the support of their own rank and file. Or, again, they may have come to the conclusion that when they were able to come into the fray the golden moment had passed, and that it was too late in the day to undertake a revolutionary *coup* with any prospect of success. Some support is lent to this last inference by the statement of Mr. Robert Smillie, the miners' president, on October 1, that he and the other officials of the Miners' Federation had no idea in the middle of the previous week that the railwaymen's negotiations were likely to lead to a deadlock and a strike. Mr. Robert Williams, the transport workers' secretary, was even more blunt. On October 19 he publicly complained that the railwaymen had not utilized the machinery of the Triple Alliance to avert a stoppage. If only as a matter of common courtesy, he said, the Triple Alliance should have been informed. Is it not possible that in these statements by the railwaymen's partners in the Triple Alliance lies the explanation of the reluctance of men who, according to their creeds, should have been aching for a fight with the Government, to enlarge the area of the railway strike? Do they not, in any case, throw into high relief the extraordinarily sudden and arbitrary nature of the step taken by the railwaymen's executive, and, to that

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extent, give colour to the belief that something more than a purely industrial grievance supplied the motive for calling the strike? These are questions to which no authoritative or final answers can yet be given. Every man must be allowed to form his own conclusions. It need only be noted in passing that since the strike a sub-committee of the Parliamentary Committee of the Trades Union Congress, on which some of the fourteen mediators hold seats, has been considering proposals for the creation of a "Labour Cabinet" for the purpose of co-ordinating trade union demands and promoting joint action in matters of common concern.

Space is not available for more than the barest mention of two incidental lessons of the strike. One is the old lesson that the public is the ultimate judge between the disputants in conflicts which affect the nation. Both the railwaymen and the Government were quick to realise the importance of enlisting public opinion on their side. Both flooded the newspapers with *ex parte* statements and advertisements; both placarded the hoardings with posters; both used the cinematograph for the circulation of opinions on the dispute. From first to last the public was on no side but its own. It regarded the strike as an attack on itself, and it did not waver for a moment in its resolution to withstand the assault. In the end the imperturbability of the public did as much to bring about the end of the strike, by wearing down the spirit of the strikers, as the intervention of the fourteen mediators and the Downing Street negotiations. The railwaymen learned, to their cost, that they cannot reckon the chances of a successful strike without taking into account the great community of railway users. Another lesson of the strike was that the railwayman is not so indispensable to the national life nowadays as he used to be. So vast, on the one hand, have been the strides of motor transport, and so fool-proof, on the other hand, has the running of the railways tended to become, that a strike of the railwaymen

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no longer involves the cessation of overland transport, even by rail. Motor transport, at present, is far too costly to compete with railway transport ; but it has proved its capabilities as a substitute in emergency, and the railwaymen's claim that they could paralyse the community in twenty-four hours has lost its virtue.

There remains one wider aspect of the strike which cannot be overlooked. In some respects, it is by far the most important. By the terms of settlement signed on October 5, it was provided that on the full resumption of work "negotiations shall be continued." A statement, apparently inspired, was made in *The Times* of October 7 that the negotiations would be resumed at the exact point at which they were left on September 26. This assertion was promptly challenged by Mr. Thomas, who declared that "we are going to discuss the question of standardisation free from any previous offer." There is more in this incident than might be supposed. It is known to some whose business it was to keep in touch with the Downing Street conferences, which ended the strike, that the terms of agreement finally signed were arranged during an interview between Mr. Thomas and the Prime Minister, in the latter's private room. There is, further, some ground for believing that the Prime Minister, on the one hand, took a line of which not all his immediate associates fully approved (if indeed, they were consulted) so great was his eagerness to avoid any charge of attacking trade unionism ; while Mr. Thomas, on the other hand, pressed the terms which he had arranged with the Prime Minister on the acceptance of his colleagues by the use of the strongest methods at his disposal. The discrepancy between the two readings of the agreement is, in these circumstances, quite intelligible. Mr. Thomas's interpretation, of course, was correct. When the negotiations were reopened on October 14, they began *de novo*. The railwaymen had, in practice, scored a substantial success which did not appear on the face of the agreement of October 5. The negotiations,

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moreover, went far beyond the question of new standard rates of wages. Mr. Thomas presented to the Government at the first of the resumed meetings the programme of the Leicester conference of November, 1918, for the joint control of the railways by the railwaymen and the railway managers. The Prime Minister pointed out that this scheme was based on the assumption that the railways were nationalised, whereas they were in a transitional state between private ownership and national ownership. For this reason he held that the scheme was inapplicable; but he put forward alternative proposals for associating the railwaymen with the Government in the consideration of railway problems and for the settlement of railway industrial questions by conciliation.

The negotiations on these proposals and on a basis for new standard wage rates (for which the railwaymen are again growing impatient) are still proceeding. They are conducted in private, and little exact information about their course and progress is allowed to leak out. It is known, however, that the Government have offered to give the railwaymen several seats on the Advisory Committee, which, under Section 21 of the Ministry of Transport Act, must be set up to help the Minister in the control of the railways, and that they have also proposed the creation of a Railway Labour Board, on which the railwaymen would have considerable representation, and which would have the settlement of purely industrial matters arising in connection with the railway services. The Government and the railwaymen have, therefore, picked up all the threads which were dropped by the railwaymen and the railway companies in 1914. The old Conciliation Boards are gone for ever. Whatever may emerge from the present discussions, it is pretty certain that the railwaymen will at last achieve a definite status in the determination not only of the conditions under which they work but in the general governance of the industry by which they live. In short, disastrous and reprehensible as the strike may have

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been, good seems likely to come out of evil. Though the country is by no means at the end of its railway labour troubles, the prospect of establishing a new and efficient mechanism for the adjustment of railwaymen's claims and grievances is brighter than it has been at any time in the last twelve years.

THE OUTLOOK IN THE MIDDLE EAST

Communicated

I. THE POSTPONEMENT OF THE SETTLEMENT

A YEAR has passed since the armistice with Turkey, and we are not yet in sight of peace. The settlement has been delayed by a succession of adverse circumstances, as if some ancient spirit of miscarriage, like one of the supernatural characters in Mr. Hardy's historical drama, were once more baffling the endeavours of Western Civilisation to solve the problem of the Middle East.

The armistice itself was unsatisfactory compared with the military conditions imposed on the other enemy powers. It was signally inadequate, for example, in respect of the Armenians. For the Armenians had suffered far worse things during the war than the worst-treated nationalities in Europe, yet while Tchechs and Poles were liberated immediately by the long arm of the Allies, the Armenian provinces of the Ottoman Empire were left pending the peace settlement, under the civil administration of the Turkish Government and the military occupation of the Turkish Army. It was hoped at the time that the settlement would follow the armistice before this and other anomalies of the provisional arrangement produced their otherwise inevitable consequences. But the settlement has been delayed beyond expectation. During the first months of the Conference at Paris priority was rightly given to making peace with our principal opponent,

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Germany. Then, when the Turkish question was approached at last, it was involved in the complex structure of the League of Nations and in the domestic controversy in the United States over the ratification of the Treaty.

The Conference has decided that the territories detached from Turkey shall be formed into new states, and that a mandate, under the authority of the League of Nations, shall be conferred upon different powers to assist these states severally to stand upon their feet. In the Covenant of the League, the relation between "mandatory" and "mandated" state has been sketched out on the analogy of the relation between a guardian and his ward, and the aim set before the mandatories is to train the mandated countries to dispense with their assistance. This liberal programme singles out and develops the best side of what has been done hitherto by Western administration in undeveloped countries. It is, in fact, an application of the "commonwealth" idea, with the important addition that it establishes a relation not merely between two parties—the protecting power and the protected area—but between three: the "mandated" state, the "mandatory" power, and the League of Nations, which, through its mandatory commission, will supervise the mandatory's stewardship in much the same way as, in the internal economy of civilised states, the conduct of a guardian towards his ward is regulated by the law.

The delay has arisen over the practical question of distributing the mandates thus contemplated. For it soon became clear that the European members of the Alliance, exhausted by the war, would be unable to make themselves responsible for the entire territory to be detached from the Ottoman Empire. In the Arabic-speaking area, south of a line drawn from Alexandretta eastward to the Persian frontier, the necessary mandates might be undertaken by Great Britain and France; but north of that line, in the tormented Armenian provinces, the disorganised interior of Anatolia, and the littoral enclosing

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the international highway of the Black Sea Straits, no alternative has been found, except dereliction and anarchy, to the acceptance of a mandate or mandates by the United States.

This question has to be decided by America before the Turkish settlement can be carried further, and it is impossible to predict how long she will take to make up her mind. In a democracy on so vast a scale, public opinion is always slow to crystallise, especially in grave and unfamiliar questions of foreign policy ; the larger and prior issues of ratification of the Treaty and entrance into the League are still under debate ; till they are settled, there can be little discussion of their corollaries ; and the President's illness has introduced a fresh and distressing element of uncertainty. The fate of the Middle East, and of Armenia particularly, hangs upon the long-drawn-out domestic controversies of the New World, and the Conference is paralysed while the favourable moment for constructive action passes and the conditions in Turkey go from bad to worse. For the time-factor is all-important. The races of the Ottoman Empire, far more sorely smitten by the war than we, have been placed by the situation since the armistice under an intolerable strain. In the many provinces where they are intermingled, each is waiting in suspense to learn whether it is to be dominant or subject, or whether it is to be saved from these dangerous alternatives by the good offices of an impartial mandatory power. Every day the fear of the rival race increases, and with it the temptation to forestall the sinister intentions with which it is credited by some violent stroke. National antipathies are being deepened ; economic reconstruction, which is vital for all races and is the only field where they may learn to work together, cannot begin. The most disquieting feature about this crisis is the difficulty of assigning the blame to this or that statesman or government. America can scarcely be asked to speed up her deliberations upon one of the most momentous questions of high policy that have

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ever confronted her, and it is no easy feat of political imagination for the American public to realise that an issue so essentially their own concern is also one of life and death for alien races the other side of the world. We may indict the callousness induced by the atmosphere of the Conference, or the universal revulsion of public interest, in the reconstruction period, from foreign affairs to internal politics. But these phenomena are inevitable. We are almost driven back on superstition, and tempted to ascribe the age-long ill-fortune of the Middle East to an evil star.

Nor is the uncertainty regarding the American mandate the only impediment to peace. After twelve months' negotiations, no common ground has yet been found between the aspirations of France in Syria and those of Syrian nationalism. General Gouraud, the new French High Commissioner who is taking over military responsibility, on behalf of the Supreme Allied Council at Paris, in part of the area north of Palestine which has hitherto been under Field-Marshal Allenby's command,* has recently given an interview to the Press. The spirit of his remarks was admirable, but the content of them was no different from the official statements of a year ago—that all present arrangements, whatever they may be, are provisional only, and do not prejudice the Conference's final decision. Yet, so long as there is no practical reconciliation between the French and Arab points of view, Syria remains in the same suspense as the northern half of the Ottoman Empire ; and a conflict remains possible there which would discredit the Conference, damage the Entente, and convulse Islam so profoundly that the position of all Western governments in Moslem countries might be shaken.

How is the British Commonwealth affected by this threatening aspect of affairs ? We are deeply interested

* The inland districts of Aleppo, Hama, Homs and Damascus are being left under the provisional military administration of Prince Feisal's Syrian national army, which, like the French provisional military administration in the coastal zone, has hitherto been carried on in subordination to the British Commander-in-Chief.

Responsibilities of British Commonwealth

in the outcome of French and American policy, because we are more heavily involved in the general fortunes of the Middle East than any other Western power. But though we can take pains to put no difficulties in our friends' way, we can do very little to influence their decisions. We may more profitably consider the new responsibilities in the Middle East that are descending upon our own shoulders.

II. THE NEW RESPONSIBILITIES OF THE BRITISH COMMONWEALTH

AS a result of the war, we are likely to assume, or have assumed already, responsibilities in Palestine, the former Ottoman sphere in Arabia (except the Hejaz), Mesopotamia and Persia. The responsibility will not, of course, be equally heavy in all cases. Nominally, at least, a treaty with the independent Government of Persia, or with some prince in the interior of Arabia, commits us to less than a mandate for reorganising the administration of an ex-Turkish vilayet. Yet the fact remains that the total area of these regions is rather larger than that of the Indian Empire, and that, though the population is much smaller (perhaps twenty-five millions at most, on a very rough estimate), the racial and religious divisions present the same acute problems to the administrator—problems which in certain instances, such as the custody of the holy places at Jerusalem, the provision of a Jewish national home in Palestine, or the rival claims to the Caliphate, may arouse passionate feeling among vast bodies of people in other parts of the British Empire, and indeed all over the world.

But the military and financial aspects of our new responsibilities will probably force themselves first upon public attention in Great Britain and the Dominions. Because we find ourselves in Mesopotamia and because no alter-

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native to our continued presence there is forthcoming, there seems to be a general acquiescence in the notion that we shall stay. Yet this undertaking, whether inevitable or not, means a change, little short of revolutionary, in the strategic position of the British Commonwealth. Before the war the Commonwealth was strategically a combination of islands, varying in size from fortresses to continents and scattered all over the world, but all capable of adequate defence by sea power. The generalisation can be illustrated best by its apparent exceptions. The thousands of miles of artificial boundary-line between Canada and the United States were innocent of fort or gun; and the German propagandists discovered to their chagrin that the bogey of an undefended land frontier with which they tried to frighten the American people was a favourite theme for mutual congratulations on both sides of the border. Again, the thousands of miles of mountain barrier surrounding India isolated her more effectively from the rest of Asia than Italy is isolated from Europe by the Alps; and Egypt, entirely surrounded by broad zones of desert or sea, was proverbially the most difficult country in the world to invade by land. Neither Egypt nor India was linked up with Europe by railway—the essential means of land transport in modern war. From the strategic and economic point of view, they could be classified as islands no less legitimately than Malta or Australia. And this strategic feature of the Commonwealth was the product of a steady policy. We were chary of extending our responsibilities into areas that could not be defended by our fleet. That consideration governed our intervention in the open regions of Arabia and Persia. We did not hesitate to occupy the peninsula of Aden, and were at pains to police the waters and coasts of the Persian Gulf. But we limited our hinterland at Aden to the nearest hill stations; in the series of draft conventions by which, during the years immediately preceding the war, we were clearing away our outstanding disputes

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with Turkey, we willingly recognised her sovereignty over all Arabia north and west of the great south-eastern desert ; and when the necessity for clearing up our relations with Russia forced us, in 1907, to delimit our respective interests in Persia in terms of geographical zones, we tried to give this extension of our continental commitments a negative content by defining the zone assigned to each power not as its own sphere of influence, but as the sphere in which influence was renounced by the other, the so-called British zone in Persia being thus in reality simply a zone in which Russia undertook not to intervene. By hook or by crook we had kept behind our insulating walls for a century, but the war forced us out of them, and in entering Mesopotamia we stepped into the open.

Mesopotamia has been flatteringly compared to Egypt in respect of its economic possibilities, but strategically there could not be a greater antithesis. Mesopotamia, an alluvial basin lying like an arena in an amphitheatre of table-lands, has been invaded more often than any other country in Europe or Asia. She is exposed to invasion from every quarter—from the Persian plateau on the east and from the Central Asian steppes behind it ; from the steppes of Arabia which slope down towards her on the western side ; on the north from Anatolia beyond the Taurus, and from Europe beyond that ; and finally, on the south, from the sea. Akkadians and Sumerians, Amorites and Kassites, Aramæans and Persians, Arabs and Seljuks and Mongols, Hittites and Greeks and Romans and Osmanlis have all had their turn before us, following hard on one another and descending on the country from the four quarters of the compass. We cannot expect to be left there ourselves in peace.

What are the natural frontiers of Mesopotamia ? On the rare occasions in history when she has been strong enough to search for them, she has been unable to stop short of the Oxus, the Caucasus, and the Mediterranean, and has only secured herself from invasion by establishing

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an empire over the greater part of the Middle East. For where, short of these lines, can a defensible frontier be found? Not at some arbitrary point on the upper course of the Euphrates or along an imaginary line cutting across the tribal wandering-grounds of Arabia; not among the valleys of Kurdistan, which back, without any definite break, upon the plateaux of Armenia and Persia; not half-way across the Trans-Caucasian depression, or in the middle of the Persian table-land. In Kurdistan we are confronted with another "North-West Frontier," and our garrison at Mosul can look across the Tigris to the mounds of Assyrian Nineveh, the capital of the greatest military power of the Ancient East, which succumbed under the Sisyphean labour of rolling back the ever-descending marauders from the hills. And we must reckon the other areas in. In Arabia the Turk's clients have now become ours, and we cannot altogether disclaim responsibility before the Moslem world if the Wahhabi prince of Nejd raids across Central Arabia towards the sacred cities of Mecca and Medina, though in this region he is altogether beyond our control. On the side of Egypt, too, we have exchanged the natural desert frontier of Sinai for some artificial line to be drawn across the fields and roads and railways of Palestine and Syria, and have made it possible for trains to run without a break from the Bosphorus to Cairo. Between the Mediterranean and the Pamirs the British Commonwealth is committed to an open land frontier, accessible to military powers in Continental Europe, and therefore requiring defence by land armaments on whatever may be the future European scale. Thus, if the Continental competition in land armaments were not to be relaxed, we could no longer refrain from taking a hand in it; and the experience of former sea powers which have committed themselves on the other element offers some rather gloomy analogies. When Venice stepped out of her lagoons and occupied a mainland province on the Italian plains, she placed herself at the mercy of French and Austrian armies,

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and bitterly regretted the relinquishment of her island security. And Athens, welded to the continent without the opportunity of making the momentous choice between a sea and a land frontier, lamented that she was not an island when the land powers of Greece were laying waste her territory during the Peloponnesian War. "The power of blockade," wrote an Athenian publicist, "is a prodigious weapon, but Athenian sea power has its Achilles' heel. Had the Athenians' territory been insular, they could have put any pressure they liked on other powers, and remained impregnable themselves so long as they retained command of the sea. But as it is, they have had to give hostages to fortune."

Our British heel of Achilles may well be found in Mesopotamia, and in the treaty with Persia we already see one momentous consequence of our Mesopotamian commitment. The treaty is certainly sound from the strategic point of view. Without making sure of Persia's political friendship and military defensibility we cannot make Mesopotamia secure towards the east. That has been discovered by every sagacious ruler of Baghdad, or Nineveh, or Babylon; and there would be some comfort in the inference that His Majesty's Government had realised the implications of a Mesopotamian mandate, however staggering those implications might be. But have they realised them? From the treaty with Persia we should judge so; but a few days before that treaty was published it was divulged,* in an interview given to the Press by the high official of the Indian Government who had conducted the peace negotiations with Afghanistan, that the Amir had been released from the obligation, imposed upon his predecessor in 1880, of "following the advice of the Government of Great Britain in matters affecting the external

* The papers relating to the Afghan War of 1919, including the texts of the treaty of peace and of Sir Hamilton Grant's letter formally acknowledging that "Afghanistan is left free and independent in all its affairs, both internal and external," have now been published in a White Paper (Cmd. 324, 1919).

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relations of Afghanistan, without reserve." Yet from the British point of view Afghanistan and Persia cannot be dissociated. Geographically they are parts of a single great plateau, and between them they fill the gap that separates India from Mesopotamia. Now that we are established in both the latter countries, any policy applied to one of the intervening states will be abortive unless it is extended to the other. Yet apparently we elected to abandon a control over Afghanistan of forty years' standing at a moment when we were working to establish ties of a similar or even closer character with Persia. Again, according to the terms of the Persian treaty, we have undertaken to reorganise the Persian Army, a contract which practically pledges us, on pain of compromising our military prestige in the East, to guaranteeing Persia's defence. Yet a few days after the publication of the treaty it was announced that our army of occupation was being withdrawn from the Trans-Caucasian railway (the line from Baku on the Caspian to Batum on the Black Sea), which is the strategic key, in the present lack of modern means of communication in Persia itself, to the vulnerable north-western frontier of that country.

In other words, two contradictory policies are being applied piecemeal in different sections of the same area. In the Caucasus and Afghanistan we are simply carrying on our pre-war policy of insulation without regard to the fact that we are committed to Mesopotamia, and we are accordingly trying to fall back within our old circle of fortifications. In our dealings with Persia, on the other hand, we have recognised and acted upon the implications of our establishment in Mesopotamia, yet without following them up to their logical consequences. If the results of this confusion of purposes are allowed to stand, we shall have put ourselves in the worst conceivable posture for defending our new and in any case uncomfortably exposed continental position. For if Afghanistan and the Caucasus were to become hostile bases, Persia, so far from being an asset

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to the defence of Mesopotamia, would be an immense additional liability.

How has this confusion come about? Probably (to hazard a guess in default of information) through lack of co-ordination between the Departments of State in Whitehall. For instance, a number of prominent Englishmen connected with the administration of India are known to hold the view that the fortunes of independent Moslem states abroad have been, and will continue to be, the paramount political interest of the Indian Moslem community, and that the British Commonwealth ought to make the satisfaction of Indian Moslem sentiment about these states one of the chief considerations in its foreign policy. We may therefore conjecture that the renunciation of control over Afghanistan was settled between the India Office and the Government of India from a purely Indian point of view, as some kind of set-off to the inevitable weakening of Turkey, the chief independent Moslem state hitherto, and to the consequent dissatisfaction in Indian Moslem circles. The treaty with Persia, on the other hand, was of course negotiated by the Foreign Office, and our new position in Mesopotamia was obviously the main consideration on which it was founded. But the Foreign Office, by itself, can have had no power to supplement the treaty by relevant policy in Afghanistan and the Caucasus, even if it realised that without this the treaty might fail to produce its intended results, for the simple reason that Afghanistan lies within the India Office's sphere of influence, while the maintenance or withdrawal of troops in the Caucasus was a War Office affair. The War Office, pressed to accelerate demobilisation, particularly pressed to withdraw its forces from territories formerly included in the Russian Empire, yet anxious (as we may fairly assume) to support the "White" organisation in Russia to the best of its ability, naturally insisted on removing the British divisions in Trans-Caucasia, which, while one of the largest of our detachments scattered over the

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various Russian or ex-Russian territories, were of no assistance to the operations of General Denikin.

It would be wholly unfair to blame the Departments for the total result of their separate action. No doubt each department has tried conscientiously to do its best from the departmental point of view. But grave blame does attach to the Government on this head, as on many others, for having omitted to restore the Cabinet system upon the conclusion of the armistice. For speed of execution, the object for which the War Cabinet Secretariat system was improvised, ceased to be the paramount necessity the moment the military decision had been obtained; while during the period of settlement, when we are trying to reconstruct the world and are thinking no longer in months but in centuries, co-ordination of counsel is even more essential than in ordinary times. Now a Cabinet consisting of the responsible heads of departments is the only mechanism by which co-ordination between the different organs of public administration can be assured, and had such a Cabinet existed during the past year, it would have been impossible for Mr. Montagu, Mr. Churchill and Lord Curzon to get their particular policies respecting Afghanistan, the Caucasus, and Persia ratified without common discussion and mutual consent. Had the final decision regarding the three areas lain with a Cabinet constituted in the traditional way, we should surely have secured some less contradictory result. The advocates of inconsistent policies would have realised that the Middle East must be dealt with as a whole, and would have agreed either to retire from Mesopotamia and Persia, or to retain some control over the Caucasus and Afghanistan. As it is, we have struck out no general Middle Eastern policy for the British Commonwealth, and we are committed to a patchwork of policies each incomplete because severally incompatible.

Of course, our condemnation of this result must depend largely upon our estimate of the seriousness of the position.

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If the adverse possibilities assumed in the foregoing argument are unreal, or even if they are merely very remote, the Government might be forgiven for letting our Middle Eastern commitments drift in the whirl of the settlement and concentrating upon questions of higher policy. It may be represented that not an inch more of the map is going to be painted red, and that the extensions of responsibility, of which so much has been made in the preceding pages, consist partly of treaties with independent states and partly of mandates to be conferred for a limited period under the sanction of the League of Nations. It may reasonably be asked whether we are bound to reckon in pre-war terms. Will a "mandated" territory involve as heavy a military burden as a protectorate or a possession? And will the general standard of armaments be as exacting after as before the war? Can we make no allowance for the international wisdom bought by such a terrible lesson, for the guarantee implied in the establishment of the League of Nations, and for the overthrow of the most militaristic of the pre-war powers? But we can only apply these considerations to the case in point by examining what powers will actually confront us in the future across our new continental frontier in the Middle East, and it is evident that our largest and most formidable neighbour there will be Russia.

This is no place for a general appraisalment of the Government's Russian policy since the armistice. In the shaping of that policy, regard for British interests in the Middle East has no doubt been overridden by broader considerations, and the policy must ultimately be judged on these, whatever they may be. But it pertains to the present discussion to point out that the Middle Eastern consequences of this policy may be exceedingly unfortunate, for, though we shall be at much closer quarters with Russia on land than before the war, we are now in danger of her enmity in whatever form she may emerge from her internal conflict. The future state of mind of the various parties in Russia

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cannot, of course, be predicted with certainty, but we ought to examine and face the worst possibilities in the Russian situation, since it will affect our own position in the Middle East henceforward more intimately than during the past century. We cannot look forward with anything but dismay to a continuance of civil war in Russia, which would simply mean a spatial extension *ad infinitum* of the anarchic zone beyond our Mesopotamian, Persian and Indian frontiers. Nor shall we be in a happy position if the Soviet Government, against which we have been lending our assistance, disposes of its "White" opponents by force of arms, and aggravates the unrest on our frontiers by organised Bolshevik propaganda. If the Soviet Government has really established its military ascendancy over the "Whites," the best issue both for the "Whites" and ourselves would surely be a settlement securing the independence of the non-Russian border nationalities of the former Russian Empire and the cessation of hostilities between the various *de facto* Governments in different parts of the Russian territory. The third alternative, though this is becoming daily more improbable, is a decision in favour of the "Whites," and it looks at first sight as if a victory won by our aid would leave them our firm friends for the future. But would this really be the case? Very likely the leaders of the "Whites" are bound to us by personal gratitude, and they may even admire our institutions, and desire to establish in Russia the sort of constitutional representative government for which we stand. But does Russia possess the elements of Western democracy? Is there an educated class numerous enough, or experienced enough, or sufficiently in touch with the other classes to work a parliamentary system or even to staff a constituent assembly? There were grave doubts about this in the days of the Duma; the collapse of Kerensky's liberal regime appeared to confirm them; and since then we know that the educated class has been decimated more cruelly in the civil struggle than any other. But

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even if that class were capable yet of undertaking a democratic reconstruction of Russia, is it sufficiently strong to get its way? Is it the most powerful section among General Denikin and Admiral Kolchak's supporters? The officers and officials of the Tsarist regime, the landlords and the Cossacks, are surely stronger, at least in combination, and they are likely to combine on a platform very different from that of representative democracy. Violence produces extreme policies; a doctrine as terrific as the universal proletarian class-war preached by the Bolsheviks compels their opponents to embroider their rival banners with some arresting motto, and the "integrity of Holy Russia" seems to be the sign under which the rank and file of General Denikin's followers are hoping to conquer. This is, indeed, the inevitable antithesis. The "Reds" deny everything and sweep all traces of ancient Russia away. The "Whites" affirm that nothing has been forfeited; that their legitimist organisation has renounced none of the rights of sovereignty (except over Poland and perhaps Finland) formerly enjoyed by the Tsar; that they have retained their membership in the Alliance, fulfilled their obligations under it to the utmost of their power, and never released the other members from their corresponding obligations towards Russia. In plain terms, General Denikin's Government are unlikely to recognise the independence of the Baltic States or of the non-Russian nationalities in Trans-Caucasia; and though no official information seems to have been published on the point, it is even more unlikely that they are inclined to admit either the lapse of the Anglo-Russian Agreement of 1907 or the validity of the Anglo-Persian Treaty of 1919. For intransigence on their part is not madness but a political necessity. If they cannot recover for Russia her old place in the world, if they cannot make good her rights or restore her prestige, what sentiment can they keep alive among their "White" supporters and what counter-attraction can they offer the peasants and workmen they bring under their rule for the greater

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material advantages bestowed upon these classes in comparison to others by the "Red" administration? It is easy to forecast the anti-British agitation which they may be driven first to condone, then to patronise, then to lead. Britain, it will be represented by those who wish us ill, has assisted the "Whites" to conquer because she feared the Bolsheviks more than anything; she has let the "Whites" bear the main brunt of the struggle in order that the exhaustion of Russia might be complete; and she has used the opportunity to seize those political assets of Russia in the Middle East which she was pledged to respect by solemn agreements concluded both before and during the war by the two allied governments. Such anti-British propaganda by the "Whites" against British policy in Persia would reinforce anti-British propaganda by the "Reds" against the British blockade, and both would have a simultaneous effect upon the mass of the Russian people. General Denikin personally may wish us well, but if he could speak to us frankly he might repeat the prophecy of an Austrian diplomatist to a Russian diplomatist after Tsar Nicholas I. had saved the Austrian Empire from apparently irretrievable ruin in 1849: "My countrymen will astonish you by their ingratitude!" It is hard to see how the British Government can have regarded their treaty with Persia and their military support of General Denikin as compatible, or how, in the event either of a "White" victory or of a "Red," the British Commonwealth is to avert the revival and intensification of the old Anglo-Russian feud of the 19th century. It would be very short-sighted to make light of this unpleasant probability on the ground that Russia's enmity will not matter because she will be too weak to give it any practical effect. For Russia, whichever faction won, would emerge ruined but under arms, the very condition in which a great country is most formidable to its neighbours; and though the last five years have shown that she is incapable, at present, of organising war on the European standard, this would

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largely be counterbalanced by her comparative superiority, in that respect, over her Middle Eastern neighbours, and by her geographical position remote from any of the ports and railways at the disposal of the British Commonwealth for a Middle Eastern campaign.

But there is another danger which, though smaller in itself, presses closer upon our new Middle Eastern frontier-line. Supposing Denikin were to conquer the Soviet Government, dispose of the Baltic States, and turn his attention to the former Russian provinces in Trans-Caucasia, what would the Trans-Caucasian nationalities do? There is little doubt that the Georgians and the Azerbaijanis would join forces, overwhelm the little Armenian Republic of Erivan, and make common cause with Mustapha Kemal, the head of the insurrectionary Turkish organisation in the Anatolian and Armenian provinces of the Ottoman Empire. Both the Georgians and the Azerbaijanis hate Russia, and dread above all things the restoration of Russian rule; they have no quarrel between themselves, and are drawn together by a common hostility towards the Armenians; and while the Azerbaijani Turks are attached to the Osmanlis by nationality and religion, the Georgians would prefer to make terms with Turkdom if Russification were the only alternative. Both nationalities, incidentally, appear to have got on badly with the British army of occupation—chiefly on account of our co-operation with Denikin, which made them suspect that we favoured the intention he avowedly cherishes of resubjecting Trans-Caucasia to Russian domination. A threat by Denikin in the direction of the Caucasus might therefore throw Trans-Caucasia into Mustapha Kemal's arms; he would find the passes towards Denikin's country easy to defend, and the cotton, oil and other resources of the region would be at his disposal. But even without this possible accession of strength he is already formidable.

From the scanty news of his progress that has been given to the British public, it appears that Mustapha Kemal's

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organisation now controls not merely the former Armenian provinces of Turkey but the whole interior of Anatolia up to the zones occupied by Greek and Italian troops in the extreme west and south-west. Elsewhere the Allies seem to have saved from his clutches little except such strips of coast as can be commanded by the guns of their naval squadrons ; his advance guard are reported almost within sight of the Sea of Marmora ; while on the east he threatens not only the zone occupied under the armistice by the Allied forces in the plain of Cilicia, which General Gouraud is just taking over from Field-Marshal Allenby, but the fringes of the British area of occupation in Northern Mesopotamia and Kurdistan. Mustapha Kemal's position is exceedingly strong. The demobilised Turkish soldiery is flocking to his standard ; and the residue of the Turkish Army's equipment, of which he has taken possession, though, like the armaments of Russia, it might be of little account in the sort of campaign we have become accustomed to during the European War, would go a long way, perhaps last him for years, in the guerilla warfare for which he is preparing. And the Armenian provinces, where his movement began, provide him with an ideal stronghold ; for the railways running up into Anatolia from the Bosphorus and Smyrna extend no farther north-east than Angora ; the trunk line to Baghdad bends away to the south, and Erzerum, Mustapha Kemal's present capital, is hundreds of miles from the nearest railhead—except on the side of Trans-Caucasia, where the railway system was extended to Erzerum by the Russians during the war and was in great part occupied by British forces after the armistice, but has now been left at Mustapha Kemal's mercy by the withdrawal of these forces from the interior to Batum. But apart from his strategic position, Mustapha Kemal is strong in the active support of the violent Turkish element in Armenia, which fears that the extermination of the Armenians attempted by the Ottoman Government during the war has not pro-

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duced its intended effect, and that the favour of the Allies may give the remnant of the Armenians the ascendancy in the country ; he has the sympathy, open or secret, of the entire Turkish people, especially in districts of mixed population like Thrace, Constantinople and Aidin, which are likely to be severed from the Turkish State in the Peace Settlement ; and finally he has at his disposal the vigorous and still wealthy organisation of the Committee of Union and Progress. His star is in the ascendant, and his growing prestige has recently brought a government of C.U.P. complexion into office at Constantinople under the guns of the Allied Navies and the noses of the Allied High Commissioners.

Of course, if America accepts a mandate, Mustapha Kemal's days are numbered. Not only could America crush him with her little finger : his movement would probably collapse at the mere prospect of American intervention, for the Turks have a vivid belief in America's power and justice and goodwill, and are confident that under her ægis, though they would lose their ascendancy, they would not be exposed to reprisals from their former subjects for their atrocious treatment of them—a fear which at present is their strongest inducement to follow Mustapha Kemal's lead. But no responsible British statesman who has watched the movement of opinion in the United States will venture to count on such a mandate being accepted. However desirable it may be for the local races, the British Commonwealth, and the League of Nations, its acceptance by America grows more unlikely day by day, and we must face the possibility that, in default of a suitable mandatory power, Ottoman Armenia (to the shame of the civilised world) may fall back under the *de facto* sovereignty of the Turkish Government at Constantinople, or worse, may remain the seat of a separate and more chauvinist Turkish state set up locally in defiance of the League of Nations.

For the British Commonwealth, either of these latter eventualities is very grave. Mustapha Kemal's country

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lies directly behind the difficult frontier zone of Mesopotamia in Kurdistan, and if a hostile and fairly organised Turkish state is established there, we shall have a reproduction of the North-West Frontier of India backed by Afghanistan. Anyone who knows how Afghan backing aggravates our difficulties with the independent tribes in the zone between the Afghan and the Indian territory will see at once how effectively a Turkish Government at Erzerum or even Constantinople could injure us on the Kurdish frontier of Mesopotamia from a well-screened base on the Armenian plateau. Military retaliation on our part would almost be ruled out by the geographical impediments, while diplomatic pressure, always difficult to exert against Turks, would be doubly difficult in a case where Turkish complicity in our frontier troubles would be notorious but seldom susceptible of proof.

We can now answer the question whether the loose juridical form of our new responsibilities in the Middle East will lessen their military burdensomeness. It will not lessen it. For the fact that we hold Mesopotamia not as a sovereign or a protecting power, but as a mandatory under the sanction of the League of Nations, will not restrain even a recognised Turkish Government, much less a revolutionary one, from hostile action against us there. Nor shall we benefit by having formed no closer tie than a treaty with Persia. For though the treaty is to be submitted to, and will probably be endorsed by, the League of Nations, it was negotiated privately between the high contracting parties without the knowledge of Great Britain's Allies, and this at the very time, as the French Press has somewhat bitterly pointed out, when the Peace Conference was sitting at Paris and "open covenants openly arrived at" were the order of the day. The League of Nations may refrain from censuring the Anglo-Persian treaty, but we can hardly look to the League for positive support if the treaty is challenged hereafter by Russia. And thus, though the British Commonwealth will certainly benefit, and benefit

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enormously, by the establishment of the League in other connections and in other parts of the world, it will obtain no alleviation from it for its burdens in the Middle East. Our new continental frontier will have to be defended, if at all, by the old methods and at the old cost.

That cost—in the maintenance of garrisons, in the unobtrusive but perpetual loss of life in border warfare against tribesmen, in the danger of wars on the grand scale with adjoining land powers, and in the annual expenditure of money which the preceding items entail—is bound to thrust itself upon public attention now that the problem of national finance is at last being grappled with by Parliament and the country. It is unlikely that the cost can be met. How, then, can it be lessened? General suggestions will be offered in the concluding section of this article, but we must deal first with a specious argument that will probably occur to those who, on other grounds, are opposing a cessation of hostilities in Russia and are already attacking the Government for their supposed desire to effect a peaceful settlement there. No doubt these critics will endorse the criticism advanced against the Government in the preceding pages of this article: that British policy in Russia during the past year has been conducted with lamentable disregard for its Middle Eastern bearings. But they may intimate ironically that the Government has blundered into a course by which the military and financial burdens predicted above may be lightened considerably, and they may, in fact, suggest that if the proposal for an American mandate in certain Middle Eastern regions falls through, the next best arrangement from the point of view of British interests would be a rehabilitation of pre-war Russia. Their argument would run somewhat as follows: The "Whites," if victorious, might ultimately quarrel with us over Persia, but at first they will have their hands full in reconquering the Trans-Caucasian republics of Georgia and Azerbaijan backed by Turkey and the Central Asian

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khanates of Khiva and Bokhara backed by Afghanistan. They will be up against the same antagonists in the Middle East as the British Commonwealth, and surely, it will be argued, the immediate identity of our interests in the Middle East will provide a basis for a solid "regional understanding" between us. We shall each have enough to do in securing our own footing in our respective spheres, and so far from quarrelling because the line of demarcation has shifted to one party's advantage as a result of the war, we shall be compelled to support each other in order not to lose everything. In fact, the argument will proceed, the "White" restoration in Russia will appear upon our Middle Eastern horizon not as a menace but as a representative of "order." Afghanistan kept quiet and accepted the Indian Government's control so long as the Russian Empire overshadowed her opposite frontier. When that pressure was removed, and Afghanistan had nothing behind her except derelict Russian provinces and liberated Moslem khanates, she felt strong enough to defy us. As soon as Russia re-establishes her ancient frontiers, the pressure will be renewed and Afghanistan will come to heel. And the same calculations are applicable to Trans-Caucasia. If the young republic of Trans-Caucasian Azerbaijan is reduced again to a Russian province, the Persian province of Azerbaijan just across the River Araxes will be less tempted to indulge its nationalist propensities by revolting against the Anglo-Persian treaty; and if Russian garrisons reoccupy Batum and Kars, Mustapha Kemal at Erzerum will have other things to think of than making trouble for the British in Kurdistan.

This line of reasoning deserves, but will not stand, examination. In the first place, policy is never a pure product of reason, and the demonstration that co-operation is desirable by no means suffices to bring it about. Otherwise, to take a signal instance in Europe, why were not Germany, Austria-Hungary and Russia deterred from going to war in 1914 by the patent necessity of co-operation for

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the repression of Poland ? And, secondly, as the case of Poland proves, repression, even in partnership, may bring more trouble than the partnership is worth. For "Poland" write "Islam," and the moral will be obvious to the "pro-Islamic" school of Anglo-Indian politicians. This school has been reminding us, *à propos* of the forthcoming peace settlement with Turkey, that Moslem feeling in India will be incensed, not only by such debatable measures as the detachment of the Smyrna district or Thrace from the Ottoman Empire, but by the liberation and "mandation" of the Armenian provinces and the placing of the international highway of the Black Sea Straits under the effective control of the League of Nations. If Indian Moslems are going to resent measures demanded by clear considerations of mercy and equity, because they happen to be to the detriment of a Moslem state, what would their feelings be if we encouraged or assisted a "White" government in Russia to reconquer Azerbaijan and the khanates of Central Asia ? Would they not justly complain that we were discriminating against Moslems ; and that, while we had secured self-determination for every oppressed nationality on the Continent of Europe and had broken up the Central European monarchies rather than stop short of our aim, we had not attempted to apply the same principle to the oppressed peoples of Islam, but had deliberately thrust them back under the yoke of Russia ? And might they not speciously, and even genuinely, conclude that we were hostile to Moslem liberties everywhere and that our support of anti-Moslem Russia betrayed our inward sentiments towards the great Moslem communities within our own borders ? Our co-operation in the Middle East with Tsarist Russia from 1907 to 1917 has made a very deep and a very unfavourable impression on the Moslem world. In 1909 Indian Moslems wept at the news of Persian Moslem notables and men of religion hanged at Tabriz by the soldiers of the Tsar, so vivid is the sense of Moslem fraternity ; and the odium of the Russian entente

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will long infect our reputation. But if, now that the Tsarism has fallen like Nineveh and the Moslems it oppressed have escaped from its shadow, we are implicated in a restoration of the Russian Empire by the "Whites," we may never be forgiven by the two greatest masses of mankind on the Eurasian continent—the hundred million peasants and workmen that speak Russian and the more numerous millions of all classes that follow Islam—some outside, but the majority inside, our inflated frontiers.*

The gravest of our new responsibilities is not, after all, the defence of a frontier, but the well-being of the territories and populations it encloses. It will be a problem of government ranging, in different areas, through all the degrees between direct administration and the guidance or mere technical assistance of native authorities; and though the British Commonwealth has an unrivalled experience and ability in renovating the political mechanism of Middle Eastern society, we have begun to learn that this task is something more than a scientific process. The technique

* On November 6, 1919, a wireless message from General Denikin was published in the British Press, purporting to summarise a "proclamation" issued by "the representative of the British Mission in the Northern Caucasus" to the Moslem mountain tribes in the district of Daghestan, who recovered their independence after the Russian Revolution, were subsequently reconquered by General Denikin's forces, and have now risen against the "White" administration. The text of the reported document is as follows:—

"The British Government supports General Denikin, whose aims are the destruction of Bolshevism and the restoration of a great and indivisible Russia, with a large measure of autonomy for the Caucasian mountain peoples.

"England is assisting General Denikin with equipment, tanks, aeroplanes, guns, machine guns and instructors, and will continue to assist him until he has accomplished his task. It would be most regrettable if it became necessary to use these arms against the mountaineers. England knows that in this rising only a few individuals, and not all, are guilty."

Is this proclamation genuine? And if so, was it authorised by His Majesty's Government? Do the Government realise the effect which the report of such action on the part of their representative will have upon Moslem opinion? Shamil, the leader of the Daghestanis in their desperate resistance to the original Russian conquest in the 19th century, is one of the popular heroes of Islam, and all Moslems will be in ardent sympathy with the Daghestanis in their second struggle for liberty.

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of government can only be exercised upon willing subjects ; resistance—even passive resistance—beyond a certain point will frustrate the most perfect administration and drive it into abdication or tyranny ; the science of government is related to the state of mind of the governed by what may be called “ the law of minimum goodwill.”

This law is being forcibly illustrated by our present difficulties in Egypt. During the first period of our occupation, from 1882 to the declaration of the British Protectorate in 1914, our position was technically far more difficult than now, for the native government was under Turkish suzerainty, the judicial system was saddled with the Capitulations, and the budget had to be made to balance ; but we got on wonderfully well, because the Egyptians on the whole appreciated and therefore did not set themselves against the work we were doing. To-day Egypt is solvent, the Capitulations are at last being terminated, Turkish suzerainty is abolished, and Lord Allenby has a freedom of action which Lord Cromer and Lord Kitchener would have envied ; yet our administration is half paralysed, because, for various reasons, it has aroused the resentment of most sections of the Egyptian nation, not only the ex-governing class and the students, but doctors of religion, barristers, officials, town workers, and peasantry. This new and genuine nationalism is not adroit in its tactics ; it did not revolt till after we had won the war, and it raised the Ottoman flag at the moment when Turkey lay prostrate. Nor does it weigh up the material advantage of our presence in Egypt against the drawback of our political domination. It acts on its rebellious impulse, and suddenly our scientific administration is thrown out of gear.

We are likely to have a similar experience in Persia, for though we have signed a treaty with the Shah and his present ministers, we can scarcely have won the confidence of the Persian people. Before our entente with the Tsardom they thought of us as friends, and they regarded the Anglo-Russian Agreement of 1907 as a betrayal. They

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were still further alienated by the encroachments of Russia, which we perforce condoned, though they violated the Agreement in spirit and in letter. Indeed, the Democratic Party were so embittered by Russia's open war on Persian constitutional liberties that in 1914 they took sides against the Allies, and several of their leaders went to Berlin. The Persian Government maintained neutrality, but the fact that the Azerbaijan province was (quite unlawfully) under Russian military occupation gave the Turks an excuse to invade it; for three years Turkish and Russian detachments fought up and down over Western Persia and laid it waste; and after the Russian collapse British forces stepped in to cover the right flank of our front in Mesopotamia. During the past year these forces have not all been withdrawn, and the Democrat propagandists are, no doubt, insinuating that while for ten years the British contemplated a partition of Persia with the Russians, during the last two they have resolved to swallow her whole, and that the present treaty is the first step towards this, as the 1907 Agreement was towards our earlier objective. Presumably no such intention is entertained by either His Majesty's Government, the Foreign Office, or the British nation; but can the Persians be convinced of this in time? They are a highly strung people, unduly long-suffering, but prone to sudden spontaneous uprisings when they feel that their national existence is in danger. The phenomenon has occurred half a dozen times during the last twenty-five years, and the precipitating cause has nearly always been a notion that the native government of the moment was selling them to some foreign power. In such crises they display remarkable nervous energy, pertinacity, and capacity for improvisation—especially the politically minded townsmen of Tabriz, the tough Turkish-speaking peasantry of Azerbaijan, and the Gilani highlanders. We ought not to be surprised if the treaty causes trouble in these quarters—already filled with unrest by their proximity to Trans-Caucasia and to Mustapha Kemal—and if the human

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factor in the problem impedes the material betterment of conditions in Persia which we have undertaken, and are professionally competent, to bring about. The Anglo-Persian motor transport which is to open up trade may have to be commandeered to carry troops ; the Anglo-Persian model constabulary may provoke more disorder than they can put down ; and, in a vicious circle, the practical services which might be our road to the recovery of Persia's friendship may be frustrated by her anticipatory hostility.

In Mesopotamia, again, we are confronted with the most acute dilemma of Western administration in the Middle East. Foreign government has to be justified by superiority of standard ; and though we have this superiority, we can only apply it by turning out of office the native governing class. By doing this, however, we deprive them of the opportunity of learning from us, and make them hostile to our presence in the country, so that we cannot graft our administrative tradition upon the natives, and can hardly maintain it ourselves, when we have incurred more than a certain degree of native opposition. Now in Mesopotamia under the Ottoman administration all but the highest posts in the official hierarchy were filled by Arab natives of the province, and the standard was low ; while the provisional British administration in the occupied territory has raised the standard so greatly that, though it takes care to employ every Arab qualified for its requirements, it has had to staff the more responsible posts with Englishmen, and many clerical posts with local Jews and Christians, who are more efficient individually than the Arabs, though an inconsiderable element in the population numerically. But if we remain in Mesopotamia as mandatory power, our position will be that of trustee to a sovereign native state set up under the authority of the League, and by right of numbers the predominant nationality in that state will be the Arabs. Can we then continue to exclude the Arab notables from managing their national affairs ? And if they return to office, can our presence in the background prevent them

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from sinking back to the old Ottoman standard? The situation is aggravated by the fact that Mesopotamian officers have served with distinction under Prince Feisal, and will hardly be content with any but a leading part at home. The alternatives before us may therefore be a native government so bad as to make our presence useless, or a good British government which the natives will not tolerate. There is a similar problem in Palestine—fortunately on a smaller scale, for it is complicated here by the invidious guardianship of the Holy Places at Jerusalem and by our obligation towards the Zionists to provide the Jews with a national home—a programme which is already causing unrest among the local Christians and Moslems, and may affect our relations with the Papacy and the Islamic world.

This somewhat depressing review of the outlook for the British Commonwealth will be concluded when we have pointed out two further pitfalls, one economic and the other military, that lie in our path. The economic danger is that of over-exploitation. During the last century the British Commonwealth has treated its dependencies like a rich business man who has invested in land. We have put capital into them; we have developed them scientifically for distant returns, and so far from being disturbed by recurring financial deficits we have said to ourselves complacently that even if they never paid their way they were a luxury we liked and could afford. But in our post-war poverty every pound paid out of the United Kingdom Exchequer for Middle Eastern expenditure will be scrutinised and challenged, especially when it goes to a mandated state like Mesopotamia or an allied state like Persia, as compared with some country bound to us by permanent or old-established ties, like our Egyptian Protectorate or our Indian Empire. There will be a strong inducement to make our new commitments pay their way, and this will be especially so with Mesopotamia, which will be the most costly to defend, and which has been advertised since our conquest of it as an Eldorado. True, the poor

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country looks more like a Cinderella after a dark age that has lasted at least seven hundred years, but we have heard enough of her ancient brilliance almost to fancy that we can turn her into a princess by a touch of our magic wand. There are vast uncharted oil-fields to be tapped by pipelines to the Mediterranean, vast fallow stretches of alluvium to stand thick with corn, or even cotton, if we irrigate them and build a railway across the Syrian desert to export what they yield. There is plenty of hot-air for a bubble of speculation, or for a premature industrial revolution which would flood the country with Indian labour and English profiteers, and seal the fate of an already hazardous political experiment. There is the same kind of danger in Palestine, where the Zionists, undeterred by the recrudescence of malignant malaria since the war, are proposing to find subsistence for fresh Jewish colonists at the rate of perhaps 50,000 a year from the ruined industrial cities of Eastern Europe, by schemes of dry farming and other forms of intensive agriculture which were barely made to pay by the 12,000 colonists who had acclimatised themselves in the country during the 36 years preceding 1914. The British administrators who have had several years' practical experience of Palestinian and Mesopotamian conditions are no doubt sensible of these dangers, and it is to be hoped that their evidence will carry weight with His Majesty's Government; but it will not be easy to withstand the cumulative importunity of Zionism, Indian Nationalism and British "enterprise." *

* These lines are not written in any spirit of hostility to the Zionist movement. The Jews have been cruelly hit by the war, for the vast majority of the total Jewish population of the world was domiciled in the western provinces of the former Russian Empire, and has been uprooted by the Russian retreat of 1915 and the subsequent revolution, while the behaviour of the Polish, Rumanian and "White" Russian Governments since the armistice makes it apparent that the Jews will lose and not gain by the new territorial arrangements in Eastern Europe. A home must be found for these uprooted people; it is a question of world importance, and ought to be taken up by the League of Nations. Yet, granting all this, it may still be doubted whether the problem is soluble by any scheme of Palestinian colonisation.

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The military danger arises out of the need for cutting down the numerical strength and monetary cost of our garrisons abroad, for there is a popular notion that we can economise military man-power like industrial man-power by the use of machines. The tanks, aeroplanes and other engines of destruction presented to us by the war have still the fascination of new toys, and even soldiers talk as if they would solve the problems of tribal warfare and make our mastery over the Middle East unchallengeable. But there is no true analogy between a reaper-and-binder in the Canadian West and a bombing plane in Kurdistan or Egypt, since the one only operates on lifeless matter, while the other has to cope with human nature. Can a few dozen airmen really be substituted for brigades of infantry and cavalry? For the moment, perhaps, they may be able to hold as large a territory in awe, but familiarity lessens the terrors of air warfare, as Londoners found at the time of the German raids. The raider must continually be increasing his "frightfulness" to keep up his effect. He must use higher explosives, more poisonous gas, and less discrimination towards non-combatants. All weapons are indiscriminate, but the aerial bomb is much more so than so-called weapons of precision, and the psychology of his opponents compels an air bomber to accentuate the inevitable barbarity of his arm. It is well to remember the debates that took place in Parliament a year or two ago on the question of reprisals for the German bombing expeditions. At that time we realised how grave a thing it was to use such a weapon even in retaliation against a lawless enemy. Has our vision become clouded since then? For the employment of the bombing plane in the Middle East will not be confined to border warfare. Already, if reports are true, we have employed it in civil warfare against insurgent members of our Commonwealth in the Punjab and Egypt. A step further, and we shall have made it a regular instrument of our administration. In the interior of Mesopotamia, for instance, there are turbulent and

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inaccessible districts like the marshes along the Shatt-al-Hai. Suppose the marshmen are not up to time with their taxes ; how much easier to bomb them till they hurry to headquarters with the money they owe, than to send a revenue officer with an escort to make inquiries ; ten to one some seditious motive was behind their delay ; no harm to give them a lesson, and how welcome an economy of trouble and expense ! This is not a wild flight of fancy, but merely a description of government by terrorism, as it prevailed, before the advent of Western administration, in India, Egypt, Mesopotamia, Persia and the remainder of the Middle East. The terrorisers whom we superseded were the descendants of nomad conquerors, and wandered in moving camps over the territories they claimed to rule, sending out swarms of horsemen to blackmail or devastate. If we take to governing from aerodromes and bringing in our revenue by hovering planes, our rule will have become Oriental and its end will be near. For our power in the Middle East is not founded on force, but on the contrast in the minds of our subjects between the justice and rationality and humanity of our methods and the terrorism of their former oppressors. We have never commanded force enough to maintain our ascendancy by force alone, and if we become addicted to instruments which destroy our ancient prestige and translate our rule into terms of the relative physical strength of governors and governed, we shall fall like the Mogul and the Osmanli, and the golden centuries of our early empire will be written off as an irrelevant interlude in the tragic history of Oriental society.*

* Two notices published in the Press on October 30 seem to show that British official circles are hesitating between opposite policies in regard to the employment of the bombing plane. On the one hand it was stated that machines were being rushed out to Egypt to deal with the expected recurrence of disorder—in other words, to bomb crowds of our fellow-citizens—while on the other hand it was announced that, in the event of punitive raids being undertaken against the villages of the Mahsuds on the North-West Frontier of India, the tribesmen were to be given sufficient notice for the removal of their wives and children to places of safety. It is for public opinion to encourage the spirit of the second order and protest against that of the first.

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III. BRITISH POLICY AND ISLAM

WHAT shall we do to be saved ? For apart altogether from the definite causes for disquietude about our Middle Eastern outlook enumerated in the preceding section, it is a solemn thing for the British Commonwealth to stand almost solitary amid the ruins of four great empires overthrown by the war. When a fire sweeps through a forest, some trees crash or are consumed, while another stands upright after the flames have died away. But has it cheated destiny ? For even if it puts forth fresh leaves at the return of spring, its trunk may be charred within and hollow. Nothing can test it but the winter storms, and the first gale may send it crashing down to lie beside the blackened trunks of its former peers—their proud survivor by a season. The British Commonwealth stands in some such posture in the reconstruction period. It no longer shines up against the dark foil of the Hohenzollern, Hapsburg, Romanov and Osmanli Empires. Their sins have found them out, and with their disappearance our sins will come into clearer perspective. On the Continent of Europe every nationality (with the deduction of border minorities) has now secured self-determination, and Ireland and Cyprus, two islands of the British Commonwealth, are already conspicuous exceptions. We may protest that these exceptions are only temporary, since we boast that we are a Commonwealth schooled by experience to reconcile the union of peoples with national liberty, and not an authoritarian empire like those that have fallen. But our test will not be in Europe, nor yet in the Dominions (of which we chiefly think when we pride ourselves on our political elasticity) ; the struggle for self-government is shifting its arena to the Middle East, and here, though we may be a Commonwealth in spirit and intention, we are in fact an Empire with the innate weaknesses of that species of polity. We are being weakened further by the

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sudden territorial inflation consequent upon the war—an ominous because so often a pathological symptom in Oriental empires—and our distended borders will henceforth contain by far the greater part of the Moslem world. The vicissitudes of that world will be ours ; we shall have to bear the first shock of its convulsions ; and we must grapple with this immense problem under the critical gaze of our Western Allies and opponents in the recent European war. Our prototype Alexander of Macedon, the first Western conqueror of the Middle East, was not perplexed by so difficult a problem.

“The British Empire is the greatest Moslem power.” The phrase is fast becoming a catchword, but what is its moral ? That the aspirations of our Moslem fellow-citizens ought to find satisfaction in our Imperial policy ? That is a truism, until we define the direction and the limits in which their satisfaction is desirable.

Let us consider some issues of the impending peace with Turkey. Indian Moslems are naturally perturbed at the fall of the Ottoman Empire, the last Moslem state which kept up an appearance of being a great power. They will be gratified if Turkey is treated leniently, displeased in the opposite event, and we are being urged by a “pro-Islamic” school of Anglo-Indian politicians to let this consideration shape British policy in the Turkish settlement. Now this interpretation of our duty as a “Moslem power” ought to be repudiated outright. We are not a “Moslem power” any more than a “Christian power” or an “Anglo-Saxon power” or a “White Race power,” if “power” means that some sectional interest in our Commonwealth, simply because it is strong or numerous or importunate, shall override our general will and dictate our international policy on any point which it considers its particular concern. Our only dignified course is to make our decisions about Turkey on principle—to be scrupulous in not discriminating against the Turks because they are Moslems, but neither, on that account, to discriminate in their favour.

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Let us judge each concrete question on its merits and according to the European precedents of the past year.

The Turks claim Thrace on grounds of self-determination, but how has there come to be a Turkish majority there ? Because the Turks have misused their sovereignty over the province since 1913 to get rid of the Greek and Bulgarian population. In the parallel case of Prussian Poland, where a European government had forcibly substituted German colonists for indigenous Polish peasants, such misuse of sovereignty counted very heavily against Germany in the award of the Conference upon the new German-Polish frontier ; and in the Thracian instance, similarly, recent history as well as present statistics will have to be taken into account. Only in Western Thrace (the coastal district acquired by Bulgaria in 1913 and just ceded by her to the Allies) can Turkey claim a genuine Moslem majority not obtained by violence, and only here, therefore, is a plebiscite the right means towards a solution.

Again, the Turks claim Constantinople on the ground that it is their capital. Yet only half the population is Turkish—less than half if the official element, which would migrate with the seat of government, is left out of the reckoning ; and Constantinople would suffer far less economically by separation from Turkey than Petrograd has done by the independence of Finland or Vienna by the break-up of the Hapsburg monarchy, for no political changes can depose her port from being the focus of the Black Sea carrying trade.

And what of the Straits ? There is an overwhelming case for placing them effectively under the military and economic control of the League of Nations. Their economic hinterland stretches over Bulgaria, Rumania and half the former territories of the Russian Empire, as far as the Urals and the Pamirs, while on the other side the Danube waterway extends it into the heart of Central Europe. It is illogical to have internationalised the Danube if the straits which connect it with the high seas are to remain

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under a local sovereignty, and Turkey has exploited her command over them unscrupulously—never more so than during the recent war. The necessity for international control has a stronger claim than the preservation of Turkish dominion.

On the other hand, the Turkish claim to keep Smyrna is fairly well founded, for though the Greeks may have a plurality (not a majority) in the city, it is the terminal port of a network of railways serving the interior of Anatolia—the necessary economic outlet for a vast territory which will in any event be left to the Turkish state. Should port and hinterland be severed politically? The precedents are against it. In the parallel case of Danzig, a port inhabited by Germans but serving the interior of Poland, the Conference judged that the place could not be under German sovereignty without undue detriment to the economic interests of the Polish hinterland. We are fighting the same battle over Fiume, and have been working towards the view that the solution for such cases, where economic and national considerations point opposite ways, is to set up free cities under the patronage of the League of Nations. Why should not Smyrna be dealt with in this way? True, the Greeks have a better claim to territorial sovereignty there than the Italians at Fiume, because there is a considerable Greek population in the neighbouring countryside. A closer parallel is Trieste and Istria. But, on the merits of that parallel case, was the annexation of Trieste and Istria to Italy the best solution? In the Smyrna district, at any rate, it is not easy to delimit any area for Greece in which the Greeks have more than a bare majority over the Turks, and impossible to delimit one with feasible economic and physical frontiers. The general principle of the Conference—exemplified conspicuously in the demarcation of Tchecho-Slovakia—of sacrificing national minorities to geographical solidarity, would point to leaving the entire mainland of the Anatolian peninsula to the Turkish state.

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But at the same time the Anatolian Greeks would have to be protected by the placing of the districts where they predominate under a special mandate given to a third power, for the Ottoman Government's record of expropriation and deportation of mainland Greeks since 1913, and especially during 1917 and 1918, is too bad for non-intervention

The claims of Italy to a "zone" in South-Western Anatolia, in the region of Adalia and perhaps in a wider radius beyond, need not long detain us. Italy has no right whatever to dominion over this Turkish national territory, and if we assent to her taking it by force, we shall justly be accused by Indian Moslems of discriminating against a weak Moslem population in favour of a strong Christian power. An open convention, openly and freely arrived at between the Italian and Ottoman Governments, for the furtherance of Italian economic enterprise in Anatolia, is the utmost Italian claim that we can support with a good conscience.

As for Armenia, if Ottoman sovereignty is to be maintained there, then Belgium ought to be incorporated in the German Empire! When our Moslem fellow-citizens tell us that in these provinces the Moslem element is in a majority, do they realise that they are simply reminding us of the fact that in 1916 the Ottoman Government organised the death of over a million Armenian men, women and children by knife, bullet, drowning, exposure, starvation and pestilence? The evidence given at the time by American eye-witnesses has now been corroborated by the publication of official documents filed in the German Foreign Office. Let the Indian Moslems take no brief for the Turks in Armenia, as they value their own good name.* If America refuses the mandate, we must find some other

* American evidence in Blue Book, Miscellaneous 31, 1916, "Treatment of the Armenians in the Ottoman Empire"; German evidence in "*Deutschland und Armenien, 1914-8: Sammlung diplomatischer Aktenstücke*," edited by Dr. Johannes Lepsius (Tempelverlag, Potsdam, 1919).

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means of giving this territory a decent government. It is not a question of religion but of humanity and justice—a question in which the interest of all the local inhabitants, Kurds and Turks as well as Armenians, is ultimately the same.

We can best show our religious impartiality in regard to Armenia by standing up as readily for the adjoining Moslem state of Azerbaijan in Trans-Caucasia, and exerting all our influence with General Denikin for the recognition of the independence of this country (as well as Christian Georgia) by the Russian "Whites." Our position with regard to the Azerbaijan Republic is made extremely delicate not only by our duties towards Armenia but by our new relations with Persia. We may find imputed to us the machiavellian motive of desiring the restoration of Russian rule over the liberated Azerbaijani population in the Caucasus in order to discourage the national movement among the Azerbaijanis in the adjoining Persian province, and we must leave no room in the suspicious minds of our Indian Moslems for the reception of such a calumny. This motive has, of course, never entered into our calculations, and in fact it is contrary to our interests as we understand them. The British Commonwealth has a direct interest in the common well-being of all nationalities and religions from the frontier of Mesopotamia and Persia northwards as far as the watershed of the Caucasus Range; for in proportion as this region becomes tranquil and stable and prosperous our new burdens of frontier defence will decrease—burdens in which Indian Moslems will in the meantime participate.

The most delicate problem of the settlement will be Syria, where we have diplomatic commitments to two of our Allies—to Christian France, and to the mainly, though not entirely, Moslem nationalist organisation among the Syrian Arabs, which negotiated with us through the Sherif of Mecca (King Husein) in 1915-16, and which is represented at the Peace Conference by Husein's son, Prince Feisal. But

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these commitments are not incompatible, notwithstanding certain ill-informed and not altogether well-intentioned allegations in the Parisian Press. In coming to an agreement with our two Allies the British negotiators dealt with Syria in two sections: a coastal strip (including the Lebanon) where, though all speak Arabic, not all are Moslems; and the inland districts round Aleppo, Hama, Homs, and Damascus, where Islam is almost as universal as the Arabic language. In the maritime section the British Government has promised nothing to the Syrian nationalists and has given a free hand to France; in the inland section we have promised the nationalists to recognise and uphold the independence of the Arabs, and have agreed with the French that an independent Arab state or states shall, in fact, be established there—only adding that, should such state or states require economic or political assistance from foreigners, France shall have the first refusal. Our diplomacy has been perfectly consistent and honourable towards each of our Allies, but we cannot wash our hands of their future relations with each other. The nationalists have always claimed, though they have never been promised, the coast, and are retaliating against French claims there by refusing to invite French assistance in the interior; while France, sore at this rebuff, has failed to convince the nationalists that she is not hostile to national self-determination along the littoral. The consequent tension is not the less dangerous for being contrary to common sense. A permanent divorce of coast and hinterland is impossible with their indivisible economic life and homogeneous Arab nationality; the French can only preside over the coast under a mandate from the League of Nations, and the nationalists cannot set their house in order in the interior without a modicum of assistance from a mandatory power. Yet the relations between the two parties have become so strained that all the good offices of the British Government will be needed to bring them to agree upon the reasonable solution. It is a question of determining the exact terms

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on which a mandate for the whole country can be assented to by the Syrians and accepted by France. But woe to our relations with the Moslem world if we do not hold our scales even, but seem to tilt the balance in favour of our powerful Christian Ally, France, and against our weaker Moslem Allies, the Syrian Arabs.

The theory of the Caliphate is perhaps the foggiest stretch in the shoal waters leading out of the Turkish welter, but we can navigate it safely if we steer by the guiding principle enunciated by the Government during the war, that the Caliphate is a question for Moslems to settle among themselves. We must not let the Sunnis of India involve us in a Moslem controversy, for that is really what they are attempting to do when they ask us to take the Caliphial status of the sovereign of Turkey into consideration in the territorial settlement of the Ottoman Empire. If we conserve the power and territory of Turkey with the avowed object of assisting her Sultan to hold the Caliphate against rival claimants, we shall put ourselves wrong with all those Moslems who pray in the Friday liturgy for the Sherifial Sultan of Morocco and the Sherifial King of the Hejaz ; with the millions of Shias in Persia and India who believe that the Caliphate belongs to the Twelfth Imam, who disappeared miraculously from the earth and now reigns invisible ; and with the Wahhabi Puritans in Ibn Saud's country in Central Arabia, who repudiate most current doctrines about the governance of Moslem society as corruptions of Mohammed's original canon. If we give the Ottoman claimant our political support, Moroccan Moslems may then denounce us for impairing the prestige of their Caliph by recognising the French Protectorate ; Arab nationalists in Asia may demand that we should strengthen King Husein's hand by forcing the other princes of Arabia to acknowledge his suzerainty ; while Shias and Wahhabis may call upon us to take political steps in just the contrary direction. The adherents of the Ottoman Caliph are no more co-extensive with Islam than

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Roman Catholics are with Christendom, and to shield Turkey for their sake would be like preserving the Hapsburg monarchy or enlarging the borders of Poland to please the Church of Rome. We should win much more odium than popularity, and justly so, for we should be meddling with other people's business. Let there be absolute freedom of opinion on the question of the Caliphate among all Moslems in our Commonwealth, but let us single out no sect, because it is strong numerically, for our official support.

In fact, in the Turkish settlement we must conduct ourselves without fear and without reproach in the sight of the Moslem world. Those are the limits within which we can satisfy the aspirations of Indian Moslems in that direction, but is there no other direction for us to explore? Is the political interest of Indian and other Moslems belonging to our Commonwealth going to be absorbed entirely in the fortunes of foreign Moslem communities? To be frank, the present direction of their attention is not altogether spontaneous, for during the century in which we were supporting Turkey and Afghanistan as buffer-states against Russia we encouraged the sentiment of Indian Moslems in favour of these independent Moslem Governments. The British authorities were no doubt glad of the opportunity for showing regard for the feelings of so important a section of the Indian people, but our calumniators have misrepresented this natural motive, and have attributed to us a sinister intention. They have suggested that we were posing as the benefactors of these independent Moslem Governments in order to ingratiate ourselves with the Moslems of India and thereby divert their attention from their own political status, with the ulterior object of preventing co-operation between Moslems and Hindus in the movement towards Indian self-government. These insinuations need not cause us great concern. They are sufficiently rebutted by the momentous steps we are taking at the present time towards the establishment of national self-government in India, and they would be

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invalidated in any case by our well-known political tradition. *Divide et impera*, the old reactionary policy which brought the Hapsburgs to destruction, is the very hall-mark of an empire as distinguished from the commonwealth which we believe ourselves to be. Short-sighted before the war, it would be futile now, and it would be strange indeed if experience, apart altogether from ideals, did not forbid us to entertain it. Yet such calumnies as this should spur us on to keep abreast with the times, and to take full account of the transformation effected by the war in the Middle Eastern situation. The two outstanding events are the overthrow of the Ottoman Empire and the *rapprochement* between Moslems and Hindus in India, and they are logically connected, for when the foreign champion of Islam falls, Indian Moslems must shoulder the burden of upholding Islam by strengthening their own political position at home. Yet even if Turkey and Afghanistan had emerged from the settlement with 75 per cent. of the Islamic world within their frontiers and had made themselves the two strongest powers in existence, the passive contemplation of their glory could never permanently have satisfied the political aspirations of the Moslem citizens of the British Commonwealth. For no community can long be connected with that Commonwealth, or become intimate with its character, without having ambitions towards self-government kindled in its soul. And it is the pride of our Commonwealth that it not only arouses such ambitions, but has the political genius to bring them to fruition. Even if our Moslem population had not been increased by the war, the task of its political emancipation would have forced itself upon us. And now, when by far the greater part of the Moslem world has come within our borders, this tremendous political problem may be the crux of our imperial history.

“Pan-Islamism,” though like “Bolshevism” it has become a name of terror, is essentially a defensive, not an

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aggressive movement. All Islam draws together under the pressure of Western ascendancy, just as all Christendom drew together in our own Dark Age to meet a Moslem menace. In proportion as the various Moslem peoples attain effective self-government and secure full membership in modern international society—whether as independent states or partners in a commonwealth of nations—in proportion, that is, as they acquire the same status in the world as the Western peoples, in so far will the Pan-Islamic movement decline and the danger of a conflict of civilisations fade away from the international horizon. If we solve the problem within the British Commonwealth, we shall have solved it for the world; it will be numbered among our greatest achievements, and it is worthy of our highest endeavours. Let the English-speaking universities make Middle Eastern civilisation familiar to the coming generation—the initial outburst of energy in Egypt and Mesopotamia; the mortal wound of Assyrian militarism; the universal empire of the Achæmenids, and the thousand years of Græco-Roman penetration (so pertinent to us) which separate it from the universal empire of the Abbasids. Let them mark the parallel to the rise of Christianity under the Roman Empire in the consolidation of declining Middle Eastern society by a universal religion, and trace how Islam saved the wreckage during the storms and darkness of nomadic invasion, when the Seljuk and Mongol terror brooded over the Oriental world. The predatory and ephemeral institutions of government imposed by the barbarian conquerors interest us more closely still, for because they failed to rebuild the Middle East, the West has been drawn into the task of reconstruction. And let us study our Western failures and successes during the last four hundred years. Academic knowledge leaves us, indeed, on the threshold of understanding, and the problem cannot be solved without personal acquaintance and sympathy between us and our contemporaries in our Oriental “Dominions.” This human knowledge may be

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hindered by differences of locality, climate, temperament, language and social custom, but for such a stake all difficulties must be overcome. For a new chapter is opening in Middle Eastern history. If America, by one of those abrupt reactions familiar to observers of her political temperament, surprises us by undertaking a mandate after all, we have the fairest prospect, in co-operation with her, of restoring Middle Eastern society to a well-being such as it has not enjoyed for the past eight or nine centuries. If, on the other hand, America continues in her present vein and makes the great refusal, we shall have to consider most searchingly, after reviewing all the factors in the case in their bearing on one another, whether we are able to enter upon the undertaking without her. The treaty with Turkey is not yet signed, and even now it is not too late for us to withdraw behind our pre-war frontiers. Certainly that alternative should be faced and considered by the Government and the country, and the purpose of this article has been to present the case for critical consideration. Even if America stands aside, we, who have already put our hands to the plough, may come to the conclusion that we ought not to turn back; but whatever decision we take, let us take it with open eyes, for we are possibly approaching either our greatest political achievement or a catastrophic conflict between the British Commonwealth and the Oriental world.

GENERAL BOTHA—AN APPRECIATION

THERE is a period in every movement for national union when failure is turned to success by the intervention of one man, fired by a great idea and endowed with a personality which seizes the imagination of his contemporaries, and the practical wisdom which can bring men and events into the service of the one supreme end. In their own time and place Washington, Cavour and Bismarck all played this part, and in South Africa General Botha stood in their direct succession. The monument of these men is to be found in the United States of America to-day, in modern Italy, in the Union of Germany which has withstood the storms of a disastrous war, and in that more recent Union of South Africa, incomplete, perhaps, but none the less irrevocable. A modern Plutarch would write for us the Parallel Lives of General Washington and General Botha. He would find the link between them less in the outward circumstances of their lives—though there it is sufficiently striking; both, though men of peace at heart, first won distinction and influence in the field, both were called from military to political leadership—than in an inward harmony of character. A strong sense of duty, the love of all that was honourable, and a certain serene wisdom were the distinguishing qualities of General Botha as of Washington.

Behind the apparent similarity of the achievements of these four men there is, however, a vital difference. The

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obstacle to Union in South Africa lay not in the domination of a foreign power, as in Italy, nor yet, as in Germany and America, in the secular particularism of Provinces or States, but in the existence in one land of two white races, speaking two languages, representing disparate types of civilisation and divided by the feuds and tragic blunders and misunderstandings of a hundred years. When after Vereeniging General Botha retired to his farm to live there the life of a simple citizen, he may well have despaired of the future. His countrymen of the old republics were broken in spirit, smarting in the bitterness of defeat. With their land wasted by three years of war, they were called on to begin life afresh. Of their kinsmen in the Cape many thousands were disfranchised for their part in the war. A gulf wider than ever before stretched between the two races and between political parties. In Natal all men distrusted the Dutch and despised them, and thanked God that they themselves were Englishmen and conquerors. To restore heart and life to the Boer people, to present to their minds an image of the future which should dim the memory of an irretrievable past, to wring from a suspicious and triumphant English population a personal and national confidence, which was at first reluctant, but was to become full and free—this was a task from which all but the boldest, most sanguine and most patient of spirits would have shrunk. It was the task which General Botha undertook and which he lived to accomplish.

The Compact of Vereeniging

The Peace of Vereeniging is the great landmark in his life. The Treaty which at that time he signed was to him a solemn compact entered into between the Boer people and the British Empire. By it he regarded himself and his people as pledged to put aside for ever the vision of independent republics in the Transvaal and the Orange Free State just as the British Government was pledged to allow the

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population of those territories within a reasonable period to manage their own affairs under the British Crown. It was an obligation on both sides, in words which General Botha often used and never used in vain, "of duty and honour." But it was not enough to close the book of the past and to resolve to keep it closed. It was the part of the constructive statesman to open a new book with a brighter text, a book of peace and reconciliation between the two races. General Botha opened that book and inscribed on the title page the text, "Henceforth neither English nor Dutch can rule in South Africa." He saw that South Africa could have no future if that future were conceived on any principle of race domination. On the old racial loyalties there must be superimposed a common South African patriotism; neither race could serve the other, but they could unite in serving South Africa. He shrank from none of the consequences of this ideal. It led him directly to work for the political union of the four colonies. There was a good case for Union on economic, political and administrative grounds; there was an overwhelming moral case for it. If the only salvation for the two races lay in common service for South Africa, it was necessary to create a South Africa for them to serve. Political union might not in a day bring moral union, but without it moral union was unattainable. So, again, when once the work of the National Convention had opened the door to the ultimate realisation of his ideal, General Botha allowed no obstacle to stand in his way. He dropped General Hertzog from his Cabinet because the words and actions of that colleague were inconsistent with the policy of co-operation between the two races. He well knew that he was splitting his party and his own people; but he knew too that the fate of a party could not weigh in the balance against the maintenance of a great principle. He put down the unhappy rebellion of 1914, at the cost of raising brother's hand against brother, because he saw in that movement a double crime. The rebels were untrue to the faith which

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they had pledged at Vereeniging with Great Britain ; but what was of greater moment was that they were false to the spirit of their own Constitution, and to the bond which they had entered into at the time of union with their fellow-countrymen.

The maintenance of his ideals through the bitter conflicts of these latter years was to General Botha a heavy and an ungrateful task. He detested strife and had a horror of bloodshed. It has pleased his political enemies to represent him as a ruthless despot, as the hireling of a foreign power trampling under foot the oppressed amongst his own people. No picture could be more tragically ludicrous than this. In his anxiety to avoid an open breach he carried tolerance to the point that the sincerity of his professions was for long called in question. He was sensitive to a fault, and for years he suffered tortures from the criticism and the calumnies of his opponents. Not that any criticism of theirs ever made him doubt the justice of his own cause—his faith in that never wavered, and in the great moments when it was put to the test he never failed to vindicate it. It was simply that, for all his knowledge of human nature and the Boer nature in particular, he could never quite appreciate why, where the right road was for him so plain, others should go wrong. Cast in a great and generous mould himself, he never altogether understood meanness even where he was forced to recognise its existence.

Union and Unity

We may hope that the voice of detraction is now stilled, and that the amazing facts of what has been accomplished in South Africa since 1902 will sink into men's minds. For what do we find to-day ? The four colonies and the two races linked in a close political union, a union which a large majority of the people is determined shall be perpetual, a union in which English and Dutch, the English language and the Dutch language, have equal

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and inviolable rights. We have seen that political union sustained through the storms and the trials of a world war by an ever deepening, ever broadening sense of moral unity. Behind and overshadowing all racial and provincial loyalties is a national loyalty to South Africa; and when men say, as they do say with pride, "I am a South African," the words denote much more than a mere geographical or legal label. It is unfortunately true that the unity which these things denote is not complete. We see the Dutch divided into two political camps, mutually and to all appearance irreconcilably hostile. An agitation, republican, anti-British and anti-national, still rears its undiminished head. That South African Party on which after union General Botha set such high hopes is now weakened, perhaps moribund. These are disquieting signs that the Prime Minister died with his work unfinished; but they are not signs of failure. Political parties are the instruments through which ideas are translated into action and transmitted from one generation to another. Parties may perish while the ideas which they represent remain alive and fertile. The idea of co-operation between the two white races of South Africa exercises to-day a more vivifying influence than ever before. And the republican movement, which would destroy national unity and tear up the Constitution, cannot fight against the healing and unifying work of time.

In the great achievements of the last twenty years General Botha owed much both to other men and to the course of events. Of his long association with General Smuts something will be said later. He himself and General Smuts have in recent years freely acknowledged the value of what was done in the old republics under the Crown Colony administrations. Inevitably unpopular with the Dutch, those administrations laid the material groundwork without which union could never have been built up. The fabric of civilisation which the war had destroyed was restored in an infinitely more perfect form. This

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practical work of the intellect was crowned by a bold appeal to the heart in the grant of full self-government in 1906. By that happy stroke every obligation of the Empire under the Vereeniging Treaty was more than met, and for General Botha and all the best elements of his people the compact of 1902 acquired a new sanctity. The achievement of Union, again, was not the work of one man or one race, but of many men and both races. The movement which resulted in the summoning of the National Convention in 1908 had been initiated by the Cape Government before General Botha took office in the Transvaal. Without the willing sacrifices of the English-speaking population, without the great qualities of one in whom General Botha found a friend and a kindred spirit, "Doctor Jim," the National Convention must have been fruitless. Even the world war, which threatened to destroy years of patient building and to plunge South Africa again into racial chaos, was in the end General Botha's most powerful agent. It quickened the march of Time. Racialism halts at the edge of the grave. Common service and common sacrifices have done more to create a true South African nationalism than a generation of peace could have done.

The Force of Personality

Yet the recognition of all this serves only to throw into relief the part played by General Botha himself. Until his death he dominated by force of personality the South African stage. The secret of his influence was no secret. He was simply and at all times a Boer, but a Boer with a keener sense of duty and honour, a more undaunted will, a more resolute courage, a finer, more humane and more tolerant spirit, a less fallible judgment than any of his fellows. He won his power over the Dutch in the Boer War by the skill which gained victories, by sharing their privations and sustaining their spirit during the two years in which they wandered homeless over the face of the

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land, by the courage of his pleading with them to make peace when further resistance was hopeless. No one who ever heard one of his rare stories of the Boer War could forget the impression made by these simple narratives, as vivid as they were modest, as romantic as a schoolboy's tale of adventure. They revealed the true quality of his greatness, alike in the manner of the telling and in what was told. Take this story of a raid into Natal, and imagine instead of its bald prose the deep hoarse voice of the speaker, the queer turns of phrase in one using a foreign language, the quiet humour, the irresistible smile. In the depth of an abnormally severe winter General Botha left the snow of the highveld to seek fodder for his horses, warmth for horses and men, in the milder regions of Natal. Moving by forced marches, day and night, he crossed the border, and in a country believed to be clear of the enemy his commando off-saddled for a midday rest. Food and a warm sun were restoring life to tired bodies, courage to weary hearts, when without warning the small force found themselves under fire from a neighbouring ridge. Men fell dead or wounded, horses stampeded, there was a momentary panic. The General stood his ground, found such cover as there was for his men, sent a detachment in apparent flight to work along a deep donga by a wide detour to the rear of the enemy. After two hours of anxious waiting a rapid advance and a stiff fight ended in the capture of the whole British column. Captors and prisoners resumed their hurried march, messengers were sent for the nearest ambulance, and at nightfall all bivouacked in the buildings of a deserted farm. Visiting his prisoners, the General found them half naked and shivering in the gloom of a barn, while his own guerillos mounted guard in British tunics and greatcoats. His indignant orders backed by the sjambok restored their clothing to the prisoners, and when he could again distinguish friend from foe, he inquired for the British commander. He was wounded, and the General would not disturb him until

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morning. In the night some of the prisoners, amongst them their commander, escaped, and it was not till long afterwards that General Botha learnt that he had captured Colonel Gough. He can hardly have foreseen that fifteen years later his own son, who was with him in that fight as a boy, would be serving on General Gough's staff in a European war.

It was in scenes such as these that General Botha became the unchallenged leader of the Dutch people; that he learnt to know every feature of the Boer character, the virtues and the weaknesses of every individual who served under him. He never forgot the lessons of that time. In a political meeting, a conference of his commandants or a party caucus he could play almost at will on the feelings, the emotions and the prejudices of his hearers. A happy reference to their common sacrifices in the past, an adroit appeal to what he knew to be the dominant instincts of an individual, often turned opposition into support. Knowledge and power such as this would make most men cynics. General Botha never cherished a mean thought or an ungenerous suspicion of any man, he never allowed the baser motives which he recognised in some other men to enter into his own decisions. And as he knew his people, so they knew him. Experience had taught them that he never played fast and loose, that if he proclaimed a thing to be his duty he would do it. When disunion crept in and old friends became new foes, they might denounce him for betraying his people and his country for English friendship, but they knew it was not true; they might revile and calumniate him, but in their hearts they knew that he was a better man and a greater man than they were.

Overcoming Suspicion

Before he could succeed in his task of creating a new South African spirit, not racial, but national, General Botha needed the confidence of the best elements in both

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racess, English as well as Dutch. To win that of the English was the work of years. Here the Boer War was a hindrance rather than a help. It left him with the reputation of a fine soldier and a gallant foe, but it was a reputation gained in the defence of a cause which English-speaking South Africans identified with all that was retrograde and intolerant. The gulf between the South African ideals of General Botha and those of his Dutch predecessors was so wide that it seemed incredible that he could be sincere. He had slowly and painfully to overcome ignorance and suspicion. Not till the dismissal of General Hertzog in 1912 did he receive any full measure of trust from the English section. A weaker man or a man with less patience or a less sympathetic understanding would have thrown up his task in anger or despair. The Boer War had left him with no personal bitterness against Englishmen. There was much in the English character that attracted him—our traditions of freedom, the generous tolerance of our better moments, our passion for games, and the spirit in which they were played. He learnt to know our virtues and admired them, he recognised our weaknesses and made allowance for them. Those Englishmen who knew him best felt that this affinity was mutual. He appealed instinctively to their highest ideals. Nothing was more characteristic than the attitude of the small group of Englishmen who held the senior posts in the public service of the Union. They were a dwindling body, survivors of another regime. Inevitably and rightly they saw the Dutch more and more claiming an equal share in the permanent administration of the country, appointments being increasingly reserved for men of South African birth. Their own position became gradually more difficult. Their attitude to General Botha remained one of loyal and respectful affection. No one knew better than they did the weight of the burden that he was carrying. At all times he made them feel that he at least had only one test, and that he made no distinctions of race or degree between

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those who within the limits of their powers and opportunities were serving South Africa.

It was not only in his dealings with Englishmen that General Botha showed his essential fair-mindedness. He had good reason to give no mercy to the Germans. He disliked them in the mass. He had never forgotten the false hopes which they had raised in the republican camp during the Boer War, or the subsequent insult to himself and the other members of the Boer mission to Europe, who were invited to Potsdam but sent back from Cologne. He loathed militarism and all that Prussia represented. Yet he steadily refused to allow these considerations to influence him in his treatment of individual Germans during the war. He set his face against all injustice to which Germans were exposed simply by reason of their nationality. He gave generous terms to the depraved enemy who surrendered to him in South-West Africa. After the final triumph of last November, he threw his whole influence in Paris on the side of moderation. General Smuts has told us that at the signature of peace in the Hall of Mirrors General Botha wrote on his order paper the words, "I look back in thought to May 31, 1902." That day had been present to his mind through all the weary months of the Conference. When the present writer saw him for the last time in Paris in May, he spoke sadly, almost despondently, of his work. He disliked much in the Treaty because he felt that the Germans, however dead to all sense of honour they might seem to be, must regard it as dishonouring, and a peace which the vanquished could not honourably accept appeared to him to be no peace at all. He had, he said, one answer to all critics in the British delegation: "Do not forget that Smuts and I are the only people here who have ever been in the position in which the Germans are to-day." It was characteristic of his rare spirit that Vereeniging should have taught him above all humility in the hour of victory.

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The Partnership with General Smuts

Now he has gone, and his mantle has fallen on his dearest friend and colleague. Their intimate association of twenty years had come to seem indissoluble. Rarely can two men have worked for so long or so loyally together. Until the Boer War their experience and training were at opposite poles. The one grew up in the veld, farming, pioneering, campaigning; the other in the seats of learning and in the law-courts. The power of the one was moral, of the other intellectual. They were brought together by a common love of South Africa, a common vision of how best to serve her. Each seemed indispensable to the other, because each completed the other. The thoughts of both men ran deep, their minds seemed almost to coalesce and function as one. If they ever disagreed on a great question, the world never knew it; their differences of opinion on trifles appeared to give them by their rarity a kind of comical enjoyment. It was seldom possible to analyse their work, to say confidently that this was Botha and that Smuts. His natural shrewdness enabled General Botha to give a valuable opinion on involved practical questions with the details of which he had little acquaintance—it is no secret that we are indebted to his firm hold on principles and his strong common sense for much in those sections of the South Africa Act which relate to the Judicature. General Smuts, on the other hand, for all his academical background, has never been simply or even mainly a theorist; he went through a hard school of reality in the Boer War. In recent years he has added many cubits to his stature. His mind has matured, and while his intellect has lost none of its brilliance, his moral faith seems to have broadened. He is more patient, his hold over men has tightened. In this steady ripening of all his faculties lies the best augury of his ability to complete the task which General Botha left unfinished. And at the same time it is here that we must

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seek the real ground of contrast between the two men. It seemed impossible to say of General Botha in the same sense that he went from strength to strength. He learnt many things in the last twenty years—English, the art of Parliamentary debate, the practical details of administration. But in all that was vital it was difficult to think of him as ever having been less of a great man than he was at the end.

UNITED KINGDOM

I. THE NATIONAL FINANCES

SETTING on one side the issues of the railwaymen's strike, which are discussed at length elsewhere in the number, the supreme public question of the last three months has been the relations of the Government, Parliament, and the public in the matters of national finance. It cannot be said that its handling by any of the three has been entirely satisfactory. A violent newspaper clamour for the instant curtailment of public expenditure, much of which had hitherto been applauded and even demanded in the same quarters, showed too many signs of a personal vendetta to be convincing or effective. The two Houses of Parliament, both addressing themselves to the subject as the first business of the new session, failed to produce sufficient masters of an intricate subject to be really competent critics. As for the Government, all their attempts at serious warning were soon succeeded¹—thanks largely to the indiscriminating violence of their opponents—by a period of uniform and dangerous optimism; and an overwhelming vote of the House of Commons has left their position in the country materially stronger without producing any concrete remedy for a critical financial situation. It is all to the good that the state of the national finances should lately have been so prominent, but the present reaction may easily become more perilous than the indifference which preceded it.

The House of Commons rose during the third week in

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August to the accompaniment of a long, solemn, and the whole unimpeachable speech from the Prime Minister on the vital need for greater production if the nation were to be saved from bankruptcy and starvation. Mr. Lloyd George seemed for once to have abandoned all the tricks of Parliamentary oratory. There were no attempts to make his warning attractive or even palatable, and the speech probably met with less attention than it deserved from the matter-of-fact and even laborious style in which it was presented. Meanwhile the agitation against extravagance in Government departments, which had suddenly grown up during the summer, continued with increasing violence and support. The Prime Minister, who had rented a house on the Normandy coast, so as to be in touch at once with London and with the later stages of the Peace Conference in Paris, thought it necessary to give some public assurance of his zeal for retrenchment, and on August 27, just a week after the adjournment, there appeared in the Press a letter which he had addressed apparently to his various colleagues.

I wish (he wrote) to call the attention of my colleagues to the feeling which exists in the House of Commons, in the press, and among all classes of the community as to the necessity for an immediate cutting down of Government expenditure. A general feeling undoubtedly exists that expensive and needless establishments are being maintained because of the reluctance of those at the head of the various branches of administration in the Government departments to dismiss any of their employees.

I do not think that the strength of this feeling is realised by subordinates, and this is probably due to the fact that the need for immediately taking steps to curtail expenditure has not been sufficiently insisted upon.

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The time has come when each Minister ought to make it clear to those under his control that if they cannot reduce expenditure they must make room for somebody who can. That is the public temper, and it is right. Official heads of departmental branches can always find admirable reasons for not reducing the personnel under their charge. It is an unpleasant duty, and they prefer to leave it to others. They must be compelled to use it. The numbers still employed in the public services have in the aggregate

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hardly decreased perceptibly since the war. That cannot be defended. The state of the national finance is such that only what is indispensable to sound administration ought to be maintained. Everything in excess must be ruthlessly cut down.

I therefore earnestly trust that Ministers will, even during their vacation, give some thought to the best method of carrying out this urgent appeal, with a view to reporting to me by about the middle of September as to the steps which either they have taken or propose to take to conform to what is unquestionably the general desire of the nation.—Ever sincerely,

(Signed) D. LLOYD GEORGE.

At the same time it was announced that a drastic re-organisation of the Treasury had been carried out by the Chancellor of the Exchequer and the recently constituted Finance Committee of the Cabinet. The triumvirate which had lately been in existence disappeared. Sir John Bradbury, whose familiar signature made him its most prominent member, went to Paris as principal British representative on the Reparation Commission; and a new Permanent Secretary of the old type was found in Sir Warren Fisher, a young official, lately head of the Inland Revenue Department, who thus rose with unprecedented rapidity to the head of the whole Civil Service. That the Treasury was intended henceforth to resume its traditional position as an effective custodian of the national expenditure was further shown by a reallocation of its duties with special reference to the size of Government establishments. These changes were generally welcomed, and the remainder of the recess presented a spectacle of Ministers struggling feverishly to reduce their overgrown staffs, and struggling still more feverishly to make it plain to the public, in the face of continued criticism, that each was actually succeeding in his task.

Towards the end of September the whole attention of the public became absorbed for a time in the great strike of the railwaymen, which incidentally gave a far greater setback to financial recovery than can be measured in the

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actual cost of meeting it. But by October 22, when Parliament reassembled, the cry for retrenchment was again supreme, and the Government recognised it by losing no time in giving facilities for its discussion. Two motions, each tantamount to a Vote of Censure, had been set down by the official Opposition. Sir Donald Maclean, on behalf of the "wee free" Liberals, had called for sweeping reductions in the expenditure "for the current financial year." Mr. Adamson, the Labour leader, while insisting in similar terms that steps should be taken "at once" to effect more drastic economies, had added to his motion the full Labour programme of a levy on capital and the reversion to the State of all fortunes made as a result of the national emergency. In the face of this situation the Government, who had made up their minds already that a second Budget for the year was undesirable, took the bull by the horns and decided to fight on a motion of their own. It was thus the Chancellor of the Exchequer himself, Mr. Austen Chamberlain, who actually opened (and, as events proved, dominated) the debate by moving the following resolution :

That this House, realising the serious effects upon the trade and industry of the nation of the enormous financial burdens resulting from the War, promises its hearty support to the Government in all reasonable proposals, however drastic, for the reduction of expenditure and the diminution of debt.

Mr. Chamberlain had a difficult task, rendered all the more difficult by the fact that he had been foremost in warning the nation before the holidays of its perilous financial plight, and had published, only two days before the debate, a White Paper on the position of which he at once admitted the gravity. He began his speech, however, by assuring the House that "while treating the position gravely, there was no reason for panic." The position, so far as he was concerned, was distinctly better

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than when he spoke to the House in August. It was better in four ways. In the first place the prospects of revenue were more hopeful. With the exception of the Excess Profits Duty (the assessment of which was only revenue postponed) every item of Inland Revenue equalled or exceeded the Budget estimate. Customs and Excise were more satisfactory than at the time of the Budget by $38\frac{1}{2}$ millions, while the Stamp Duties were now estimated to yield an additional 4 millions. All this was an encouraging sign of the condition of the people and of the activity of trade and commerce. In the second place the reductions of expenditure were taking earlier and greater effect than had seemed possible. In the third place the deficit proved to be due less to increase of expenditure and more to the deferment of Appropriations-in-Aid than he had anticipated in August. Lastly, he had now come to the conclusion that income and outgoings could be balanced next year without new taxation.

Mr. Chamberlain made no attempt to belittle the bald and startling conclusion of his own White Paper that the Budget deficit had, in fact, been increased by £223,500,000 to the appalling total of £473,000,000. But he was at pains to show that nearly £100,000,000 of this increase was due to the deferment of receipts which would go into the Estimates of the following year, while nearly another £100,000,000 was the result of increased expenditure of a kind which none of his critics was prepared to challenge in detail. It was made up, in fact, of war pensions, war bonuses, extra police grants, expenses incurred on account of the strike, loans to Allies, and increased pay to the Army, Navy and Air Force—all of which had commanded universal support. For the rest he gave an elaborate account of the steps, already noted, taken to re-establish Treasury control; summed up the case for the Government against a second Budget, and, so far as he personally was concerned, against the Labour expedient of a general levy on capital; and concluded with a peroration which laid stress on the

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responsibility of the whole nation, and not merely of the Government, in restoring financial stability.

Let me summarise my conclusions. At the basis of all revenue returns and all estimates of taxation is the condition of industry and trade. We of the Government, as I have endeavoured to show, have been doing, and are continuing to do, our share towards financial reconstruction. But in order that our efforts may be fruitful, much more is needed than any Government can do. There must be an increase of production throughout the country. That is a vital necessity for national prosperity and national credit. Subject to that, I summarise my conclusions. On the position as now shown, no additional taxation would be required to balance future Budgets. No fresh borrowing would be required on Revenue Account after this year. On the contrary, next year a substantial surplus should be available for the reduction of debt. Parliament may desire a quicker reduction of the debt than we have provided for, and it is certainly most desirable. With that view we invite the House of Commons to explore with us, and in anticipation of any decision by us, the subject of a levy on war profits. Our burdens are heavy, but our shoulders are broad. I end as I began. There is every occasion for caution. There is no excuse for panic. Our position is sound. We have borne throughout the years of war a financial burden unequalled by any other country. Our resources and the spirit of our people have responded to our necessities. The same resources and the same spirit are as equal to carrying us successfully through the first difficult and troubled years of peace as they were to carry us through the fierce fighting of the war to victory.

The debate continued for two days and produced two other remarkable speeches from the Government side. Mr. Churchill presented the case for War Office expenditure, and Mr. Lloyd George, making one of his rare appearances in the House of Commons, dealt at large, and with great political ingenuity, with the chaos in the ranks of his critics. If neither is summarised here, it is because neither was entirely relevant to the main question at issue. The Secretary of State for War was necessarily concerned with the defence of a single Department, while the Prime Minister deliberately concerned himself with the rout of the Parliamentary Opposition. The result of the division,

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which was eventually taken on the Labour Party's amendment, was never for a moment in doubt, and it was all the more overwhelming because the public had been misled into a belief that the fate of the Government was trembling in the balance. They carried their "Motion of Confidence," as a matter of fact, by 405 votes to 50.

But whilst the Government can congratulate itself on the boomerang forged by its extreme critics, the country cannot. Optimism we all need in the difficult present, but with the speculative lending, which is growing as a natural result of a period of rising prices, we need also statesmen who will bring the country face to face with hard facts and realities. The whole of Europe, including this country, is suffering from two great evils—the destruction of capital and the depreciation of currency—caused by the necessities of Government war borrowings. The finances of nearly every Continental European country are in a most serious plight. Those countries are, moreover, without working capital and without the means of obtaining it, since in most cases they lack the raw products upon which to start work, and cannot buy them because they have no imports. Consumption throughout most of Europe is in excess of production, and yet production cannot get quickly going. To restart the great pre-war industrial machine is like warming a boiler; it can only gradually get up steam. As Mr. Lloyd George rightly says, we are vastly better off than our European competitors. We are only a little way down the road which they have been forced to follow, and with effort and goodwill we can easily recover. Indeed, since every European country will not be able to compete seriously with our exports for a year or two, we have, if we can seize it, an unexpected opportunity. At the same time, however, we are suffering, though in a lesser degree, from the same evils which affect them. Our currency, though only to a slight extent, is depreciated; but its inflation and, still more, the inflation of credit in general, due largely to the Govern-

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ment's borrowing operations, is one of the main causes of rising prices, and must be brought to an end at the earliest possible moment. As was urged in the last number of *THE ROUND TABLE*, it is absolutely essential for the Government to make both ends meet. The country may escape further taxation, as Mr. Chamberlain is optimistic enough to hope, though it is, in our view, at the least doubtful. But the Government will be obliged to carry through next year great funding operations of the floating debt which will in the present temper of the country and with present rates for capital be a task of some difficulty. It is unfortunate, therefore, that there is in Parliament no vigorous opposition which is able to keep the Government financially up to the mark. This House of Commons apparently regards as the fulfilment of its financial duty the acceptance with enthusiasm of Premium Bonds, a proposal which, if carried into action, will be humiliating to the country which has prided itself for so many years on being the financial centre of the world, harmful to our credit, demoralising to the investing public, disastrous to the War Savings movement, and, lastly, ineffective in its results.

Nothing can more clearly prove the shallowness of the financial knowledge of the present House of Commons than the enthusiasm with which they run after this proposal and their complete inability even to debate in any effective manner the Government's financial resolution.

Apart from the vital necessity of balancing Government expenditure, there remains the equally vital necessity for increasing production. We have lost, it is calculated, during the war one-sixth or one-seventh of our capital wealth. The great and continuous rise in the rates now demanded by capital is a sufficient indication of its scarcity. Soon these rising rates will affect not only speculation, but industry itself, and must naturally tend to increase the cost of living. Prices are also undoubtedly being seriously affected by the depreciation of the sterling exchange in the countries from which we obtain our main imports, such as

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the United States, Canada, and India. All these problems can only be solved by greater production, and greater production is dependent upon the co-operation of labour, capital, and enterprise. In view of our losses of capital in the war, saving is particularly needed ; the projects both of a capital levy and of industrial nationalisation require to be studied from this point of view. Will a capital levy discourage saving ? Will it discourage that import of foreign capital which we want so badly ? Will nationalisation lead to greater production at less cost to the producer and with a better service to the public ? If not—and what reason is there to think it will ?—then nationalisation is no remedy. The proper policy at this moment is not to apply a series of shocks to the industrial and economic world, but to pursue the commonplace course of greater production and greater saving.

II. AGRICULTURE AND THE STATE

ON October 21, just before the meeting of Parliament, the Prime Minister delivered a speech which may well be regarded as epoch-making in the history of British agriculture. At all events, it committed the Government to a perpetuation in peacetime of the “ forward policy ” which had come of sheer necessity during the war, and inaugurated, it is to be hoped, a permanent new relationship between agriculture and the State.

Mr. Lloyd George was addressing an audience composed, as he claimed, of the representatives of every industry directly concerned with agriculture. His chairman was Lord Lee, the recently appointed President of the Board of Agriculture, who had proved himself during the later stages of the war as an energetic and capable head of the Food Production Department. The meeting owed its origin to the pressure of the Agricultural Committee of the House of Commons—itsself once more an active force in politics. All

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the circumstances of the speech, therefore, bore testimony to the reviving strength of what the speaker described at the outset as "the greatest industry in the land." It ought, he said, to be the primary duty of every Government and of every statesman to help to promote that industry. Yet England had come near to a great catastrophe in the war because of her old neglect of the land. Mr. Lloyd George proceeded to point two significant comparisons :—

I will give you one or two figures showing what the result has been of the great efforts made by Germany to increase the production of a comparatively poor soil. Don't forget that Germany's soil will not bear comparison for a moment in natural fertility with that of this country. Take 100 acres of cultivated land in this country and 100 acres in Germany—arable and pasture. Britain feeds 45 to 50 persons out of that 100 acres ; Germany feeds 70 to 75. Britain grows 15 tons of corn ; Germany grows 33 tons. Britain grows 11 tons of potatoes ; Germany 55 tons. I know it is said—well, if you go on cultivating potatoes and grain and devoting the whole of your strength and soil to that purpose, then meat and milk will suffer. Let me give you the next figures. Britain produces four tons of meat to Germany's four and a quarter tons. Britain produces the equivalent of $17\frac{1}{2}$ tons of milk to Germany's 28 tons. Britain produces no sugar ; Germany produces $2\frac{3}{4}$ tons. Now, these are the figures—the comparison of what Germany with her soil makes out of 100 acres with the figures of what Britain, with her richer land, makes out of hers.

The story of Denmark is even a more remarkable one. I gave you the figures of 1871 for this country, showing how our agriculture had gone down since 1871 in the number of people engaged on the soil. It has gone down very considerably in what the land produces. In Denmark, on the other hand, since 1871 the corn and other crops have increased $2\frac{1}{2}$ times, the total head of cattle have increased twice in number ; in milch cows since 1881 there has been an increase of nearly 40 per cent., and in the pigs an increase of $4\frac{1}{2}$ times. These are very remarkable figures, and show what can be done if you get a real partnership between the State and the agricultural industry : where the State helps without meddlesomeness.

The speaker went on to show that a similar partnership had been inaugurated during the war by the Corn Production Act :—

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Before the war the quantity of grain imported into this country was three-fifths of the whole consumed, and two-fifths was produced here. After the war three-fifths was produced here—I am taking the figures according to the values—and two-fifths was imported. That is a great change; it is a change for the better and it will help in the exchange. That was the result of the Corn Production Act, which gave a certain measure of hope to the farmer that he would not be let down. There were two objections to it. I have to deal not merely with the objections of the agricultural community, but as this is a programme which will be criticised by others in other industries, I have to answer one or two objections from outside.

Two objections were made to the Corn Production Act at the time when it was introduced. The first was that the State would lose money by its guarantee, and you would be paying huge sums of public money out of the pockets of the general taxpayer into the pockets of the landlord, farmer, and agricultural labourer. At the time we ventured to say the prediction would be falsified, and as a matter of fact it is not true. It has been working now for some time, and not a single penny has passed from the pocket of the general taxpayer to that of any agricultural interest. But the guarantee gave the farmer a feeling that he could break up his land without having a return to 1879 and the dark "eighties." The second objection made was that it would put up the price of the loaf. So far from that being the case, it kept the price of the loaf from going up, because if this produce had not been raised in this country you would have had to buy more abroad. I want to get this right into the mind of everyone outside who criticises this measure: that all the money you have to pay abroad now depreciates the value of the sovereign, and therefore increases the price of what you buy cross the seas.

Then he came to the future :—

The question is, are we going back to the dismal pre-war conditions, or are we not merely going to maintain the progress which has been made, but are we not going farther? Let there be but one answer for every man who loves his country. We must go forward. How is it to be done? You must have a settled policy with regard to agriculture. The first condition is security to the cultivator—security in the first place against ruin through the violent fluctuations of foreign agriculture. I just glance at the dark "eighties." Farmers tasted ruin in those days, and many farms became derelict, thousands—I think I could number them by more than that. No mere appeal to argument and to probabilities, no mere weighing up of the prospects of Canada and the Argentine, and the United

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States of America, or the possibility of Russia ever becoming restored within the next five or ten years as a great grain-producing country—those things will not restore the nerve of the farmer to the point of inducing him to break up his land unless there is some security behind him.

What he naturally says is this :—" If the State comes in with its guarantee, it takes a risk, but it is a slight risk. It may lose money ; that is a serious thing for a heavily burdened community, but it is not disaster. If by any mischance things go wrong with me, what happens ? Ruin. My livelihood goes, my means of livelihood go. That is what happened in 1879." He says :—" You are asking me to take an unfair risk, and therefore you ought to come in if you are confident that the prospects abroad are such that the price will never go back to anything like what it was before the war ; you ought to say so—to say so in an Act of Parliament—to say so in the form of some guarantee to me, so that I feel at any rate that I shall not be dropped into the chasm as I was in 1879."

I do not think prices are coming anywhere near pre-war conditions abroad. I don't see how they can. The cost of everything has gone up abroad just as much as it has here. The freights for the carriage of all goods and commodities, including farm produce, have gone up—railway freights and shipping freights. They will continue up—I do not say at the present figure. Wages have gone up not merely here, but abroad, and there are great conflicts at present in the United States of America, and still greater conflicts in the Argentine, in reference to wages. The wages were low in the Argentine, so that all the elements that make prices indicate clearly that you are not going to have from abroad the cheap grain which you had before the war. The farmer says :—" If you are satisfied of that, what harm is there if you give a guarantee ?" I agree, and for that reason I think it is essential that the guarantee should be given. The amount and the length of time are the subject of examination by a Commission. I don't mind saying I had hoped that they would have reported before this, but I have no doubt there are very great difficulties. There are difficulties in the way of doing anything. The only thing that is not difficult is to do nothing. I have no doubt there are objections here and objections there which have got to be met.

Therefore we cannot hope, I am afraid, to get the report in time ; but there is no doubt that the guarantee to be given must have reference to the increased cost of production. It must have reference also to the fact that when the farmer breaks up his land he has to look forward for a certain period. It is not for me to indicate the period ; I should be usurping the functions of the Royal Commission. It is not a matter of looking forward to next year or the second year.

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A friend near me gives the number of years. It is not for me to say that the number is correct or incorrect, but the guarantee must cover a sufficient period of years to make the farmer feel that it is worth his while to cultivate that land. That is the only security the farmer, the cultivator, needs.

The Prime Minister proceeded to pay a tribute to the landowners :—

Let me say this as one who has said as severe things about the landowning class as anyone would in the four seas—they, at any rate, have not been a profiteering class. Rents are substantially the same, in spite of the increased cost of living. They have made a response to every appeal we have made to them, with a patriotism which was an inspiration and an example.

He next outlined his policy of security for tenant farmers :—

There are two cases where the farmer undoubtedly stands in need of special protection, and it is essential that he should receive that protection if he is to respond to the appeal which is made for increased production. The first is where the farm is sold over his head to another landowner, in the circumstances which I have just detailed, and where the new man may either want it himself or may want to sell it and make money out of it—I am sorry to say I have known cases of that kind—where the poor farmer cannot raise a sufficient sum of money to meet the sometimes rather extravagant price which is asked on a resale. In those cases the farmer needs protection, and must get it, and therefore it is proposed that he shall be secured in his tenancy unless the land is sold either for public purposes or a case can be made that he is a bad cultivator. The second case is where notice to quit is given in order to raise the rent. I do not say that is not a justifiable operation. There may be cases where it is perfectly justifiable.

Under the Corn Production Act the landlord is forbidden to raise the rent during the period of the guarantee, except with the consent of the Board of Agriculture, if the improved value is due to the guarantee. What is proposed is that in cases of that kind the tenancy shall not be affected, but the new rent shall be fixed, either by agreement between the parties or, failing agreement, by an arbitrator appointed in the usual way.

Finally he appealed to the agricultural labourer, whose

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new status and vastly better wages were one of the greatest revolutions of the war, "not to take advantage of the present labour shortage to drive too hard a bargain."

These extracts by no means exhaust the range of a speech, which found room in addition to deal with the organisation of credit facilities, the development of transport, the importance of co-operation, and the whole regeneration of rural life. But they are sufficient to suggest that agriculture, at all events, is not to be neglected in the reconstruction programme. The *Spectator*, no indiscriminating flatterer of Mr. Lloyd George, described the speech as "more than a milestone. It was a monument."

It remains to be added that on November 11 the Government gave practical proof of their continued solicitude for agriculture by introducing a measure with the object of perpetuating and extending the wartime institution of County Agricultural Committees. The Bill simplifies to some extent the existing county machinery. All work connected with agricultural business and administration is to be concentrated henceforth in the hands of a single body for each county, and the County Committees in their turn are to form the foundation for National Advisory Councils in England and Wales. The general purpose is to fortify the Board of Agriculture with local advice and assistance, and thus to stimulate the popular interest in rural life and industry.

III. OBITUARY

THE ROUND TABLE goes to press too early for the inclusion of any adequate tribute from Australia to Mr. Alfred Deakin, a notable orator and a devoted son of the Commonwealth, whose services to his own country and to the Empire must be commemorated later. Death has laid a heavy hand in the last few months on the statesmen of the Dominions, and on others whose names were known

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in many lands under the British flag. Among these latter should be counted Lord Beresford, the popular embodiment of the British sea spirit ; Sir E. T. Cook, an honest editor and a great biographer, whose subjects included the life of the most brilliant of South African publicists ; Madame Patti, who had delighted the public from end to end of the Empire ; Lord Bertie, the stout-hearted ambassador who represented Great Britain in Paris throughout the war ; and Lord Brassey, a persistent and munificent worker in many great Imperial causes.

London. November, 1919.

IV. IRELAND : THE NEW INTEREST IN ENGLAND

DECIDEDLY the two Islands which constitute the United Kingdom revolve on different orbits. Never, by any chance, are their peoples interested in the same matter at the same time. In England the Irish question, which some declared to be dead and buried for ever, has sprung again into new life. Great newspapers, long identified with resistance to any form of Irish Home Rule, vie with one another in preaching the urgency of a settlement. Lord Robert Cecil advocates in the *Globe* a settlement on Dominion lines ; and, strangest portent of all, Mr. Walter Long contributes to the *Morning Post* an apologia for his conversion to the principle of Parliamentary devolution. It is true that the last-named statesman is careful to explain that his proposals are not to be taken as having any special application to the Irish problem, that they are conceived from the point of view of a Conservative with an eye to the greater problems of Imperial reconstruction ; but since even he does not propose that Ireland should be entirely excluded from the new arrangements, critics whose minds have not undergone a like development with his own have been quick to point out that Home Rule

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is none the less Home Rule for being christened by another name.

The *Evening Standard*, always an exponent of an enlightened Conservatism, has put forward a very interesting scheme of its own. Premising with great truth that "any scheme which directly denies Ireland a national status, or is based on a devolution which treats Ireland as two definitely permanent and separated states, will inevitably be rejected," the writer suggests the creation of a single-chamber Parliament for all Ireland with two panels, one representing "Ulster," the other the rest of Ireland. No vote of the House is to have effect over the entire country unless it can secure a majority of each panel, but wherever these agree, a common system would be set up; and at the beginning of each Session, there would always be the opportunity of carrying an agreement into new fields of administration. Thus, even from the first, complete unity could be obtained by consent. Further, it is suggested that "whenever the Irish Parliament in full Session passes a resolution through both Panels asking for Dominion status and powers," these must *ipso facto* be conceded. In the meantime, the powers granted to Ireland are apparently to be equivalent to those given elsewhere under a federal system of Government applicable to the whole of the United Kingdom. - This proposal certainly merits attention, both because of its novelty, and also because, as the writer justly claims, it would solve the Ulster difficulty in the only way in which it can, with general satisfaction, be solved, namely, by willing acceptance by the minority of a unitary system.

Meantime the Cabinet itself has, at long last, shown some signs of recognising the existence of Ireland otherwise than as the subject of repression; and a Cabinet Committee has been set up to explore for the thousandth time a question the essentials of which have been perfectly familiar to everyone who has ever given ten minutes' consideration to the problems of the Government of Ireland.

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Rumour has it that the Cabinet is still toying with alternative, or possibly with combined, plans of Partition and Federation. The first of these, in its crude form of the "clean cut," is notoriously abhorrent to Nationalists of all sections and to Southern Unionists : in its milder shape of "county option" it might still be practicable, though never welcome. The second, Federalism, has received little serious attention in Ireland so far ; nor is it easy to see how it would be possible in this way to satisfy the now insistent demand for control of all branches of Irish revenue, including both Customs and Excise.

And even if a wholly new type of Federation were devised, and powers conceded to one or more of the State legislatures which are normally reserved to the Central body, it may yet be questioned whether anything short of Dominion self-government, with the over-riding authority of Westminster reduced (as in Canada and Australia) to a shadow, would now satisfy the Irish national sentiment. To say this is not to deny that, under happier auspices, a Federal solution might have been welcomed. But it is necessary to face the fact that in the Ireland of to-day it will be difficult even to get it a hearing. Republicanism (understood as a policy of sovereign independence) is holding its ground ; and will continue to do so unless and until it is met by some new movement equally calculated to take the imagination and better able to convince the reason (that cold, rather cynical, reason) of the Irish people. As for the Cabinet Committee presided over by Mr. Walter Long, its appointment has excited only a languid curiosity as to the grounds upon which its members have been selected. No one here expects anything to result from its deliberations, unless it be a further postponement of the Home Rule Act, an outcome resented, approved, or viewed with contemptuous indifference according as one's opinions tend to be Nationalist, Unionist, or Republican. It may be that this incredulity will prove to be as exaggerated as were the hopes of an immediate settlement, accept-

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able by all parties, which Irishmen cherished during the earlier months of the Convention. As has been pointed out before in these columns, Ireland, ever since the moment when these hopes were blasted by the sudden rise of the conscription controversy, has been sunk in an abyss of pessimism, suspicion, and sullen anger, from which nothing but the visible presence of a National Government in being is at all likely to extricate her.

Whether, as things are now, the establishment of such a Government be possible, is another matter. One thing, however, is certain. With every month's delay opinion, outside the north-eastern counties, moves farther to the left. It is a far cry now to the days when the Councils Bill was received by the late Mr. John Redmond as a proposal which he could at least submit for consideration to his fellow-countrymen. And if the Home Rule Act itself is already out of date, it is not chiefly because of its financial provisions (which, indeed, themselves embody the machinery for their own amendment in the event of Irish revenue exceeding, as it now does by some twenty millions, the sum of Irish expenditure), but because the spirit in which it was conceived is too narrow to fit the new stature of Irish nationhood. Belief in the good intentions, even in the common honesty, of the present Government is dead. And thus it has come about that at the moment Great Britain seems to be much more interested than Ireland in the various plans which are being put forward on the other side of the channel for the solution of the Irish question.

Dublin. November, 1919.

INDIA

I. CRITICISM OF THE LATE HOSTILITIES

THE bitter criticism which certain Anglo-Indian papers have levelled against the authorities for the alleged shortage of medical equipment and transport during the late war with Afghanistan, has been rendered more serious by the attitude of the English Press. But, so far as can be seen, there was little to justify the accusation, so frequently repeated, that another "Mesopotamian Muddle" had been perpetrated.

It is unfair not to remember that the Indian military establishment was far from being in that condition of complete preparation for border hostilities which might reasonably have been demanded before the war. Hostilities had broken out with Afghanistan at the very moment when they could least have been anticipated—the hour of our triumph in the Great War. Demobilisation, in response to urgent orders from home, was proceeding at a great rate; many British battalions had in April been reduced in numbers from 1,000 to 300. India had sent abroad many of the best qualified generals and staff officers; her medical personnel was seriously depleted, as were also her engineering and technical services. The railways, owing to the strain of four years of war, were down to the lowest bedrock of exhaustion. As yet, there had been no opportunity for the home authorities to make good the deficiencies to which the exigencies of the war had subjected India. India had given so generously to the needs of the Empire

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that her own military and medical resources were seriously depleted. It must also be remembered that the campaign was commenced with unprecedented rapidity. In former days, two months of preparation was regarded as the normal preliminary to a border war; but in the last conflict our troops were in Dakka within a few days of the declaration of the hostilities. Masses of men had to be moved with extraordinary speed, and the task of providing transport and medical equipment for a force of some quarter of a million was exceptionally difficult owing to causes already mentioned. Deficiencies in some cases of a serious character existed at first, but they were remedied with the utmost expedition. Indeed, considering the terrible climatic conditions of campaigning in a temperature ranging from 114° to 119° , the casualties from sickness were far below what might have been anticipated. There is reason to believe that the shortcomings of the authorities have been seriously exaggerated. There is, in truth, a curious disproportion between the gravity of the deficiencies which for a short time really existed and the unsparing, root-and-branch condemnation of the whole military system in which some papers indulge.

II. BORDER POLITICS

SINCE the signing of peace with Afghanistan on August 8 the condition of affairs on the Frontier has been very confused. The border tribes are anxiously watching for developments, more especially as some of them profess to have been told by Afghan local officials that the Amir has secured for them complete amnesty as one of the conditions of peace, and that on the expiration of the six months' period of Afghan probation, the British will retire to the Indus, and the Afghans will take over the country between. The tribes do not altogether believe these stories, but the resulting feeling of uncertainty has done

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its share towards keeping them restless. Of the three most important groups, the Afridis, Mahsuds, and Wazirs, the first are reasonably quiet. They took little part in the war, and are congratulating themselves on their political acumen in keeping out. The Mahsuds are still disturbed, but seem to be showing signs of penitence. Gang-raids go on, but there are no lashkars assembling. The Wazirs, however, are most restless and truculent. Among them the Afghan officials were particularly active during the war, and since the armistice find that they can hardly change their tone at once without losing dignity. Further, our temporary withdrawal from that region has adversely affected our reputation, and the vacuum this created has so far caused nothing but confusion. But with the exception of the Waziristan region, and of the Sheranis, who are awaiting the results of our dealings with the Wazirs, it seems plain that the Border is fast regaining its normal condition.

The most striking lesson of the war is certainly the revelation of the fundamental weakness of one or two institutions which in times of peace were regarded as satisfactory. The frontier militia, under normal conditions, performed a useful function, but was found to desert in large numbers on the outbreak of hostilities. The small isolated posts, which in peace time did excellent work in keeping down border raids, proved a serious source of weakness. Withdrawal from them was often necessary both on account of their weakness and because of the impossibility of maintaining lines of communication ; and these withdrawals, while invariably lowering our prestige in the neighbourhood, sometimes resulted in the loss of valuable lives.

As to future frontier policy, there are two schools of opinion. Both are agreed that now is the moment to set our house in order ; but while the one insists that the only satisfactory solution is to extend our frontier until it is coterminous with Afghan territory, the other would be content with laying down such a strategic system of

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railways and military roads that the "debatable land" would no longer afford a happy hunting ground for border caterans. It is urged by both schools that at the moment the political considerations which long hampered adequate strategic measures are temporarily in abeyance. The time has come, they say, to act decisively.

III. INDIANS ABROAD

MUCH feeling has been excited in India by the recent "Anti-Asiatic" legislation passed by the Union Parliament in South Africa. The trouble began with an injunction, obtained by the Krugersdorp Municipal Council at the beginning of the year from the Supreme Court at Pretoria (under sections 130 and 131 of the Transvaal Precious and Base Metals Act of 1898), which restrained a European firm from permitting Indians to reside on or occupy certain stands in the township of Krugersdorp. As a result of this, questions were asked in the Legislature, a petition was received from Indian residents, and a Committee of Enquiry was appointed, which brought under examination the whole position of Indian traders on the Transvaal. The upshot of this enquiry was a Bill which gave statutory protection to existing trading rights held by Indians on May 1st, 1919, in Government townships and proclaimed land in the Transvaal, but declared that no fresh trading licences, except renewals, would be granted to Indians in these areas. Further, while the rights in fixed property acquired before May, 1919, are respected, the restrictions of law No. 3 of 1885 will in future apply to companies as well as to individuals.

On the news of the projected legislation, Mr. Gandhi, always the stout champion of Indians in South Africa, girded on his armour. He was, perhaps, not sorry to take the field on a new campaign, for the upshot of his Satyagraha movement has hardly enhanced his reputation.

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Be that as it may, he threw himself into the new cause with ardour. He claimed that the terms of the Bill were a direct violation of the 1914 compact, as well as a negation of the acceptance, by the Dominions representatives at the Imperial War Conference, of the principle of reciprocity. The Government of India made urgent representations to the Secretary of State, and was able to inform Mr. Gandhi that a clause empowering licensing authorities to refuse trading licences to Indians generally throughout the Transvaal had been deleted in the Senate. The whole question of the position of Indians in South Africa is extremely thorny, and as negotiations between the Government of India and the Union Government are about to be undertaken, no discussion in detail is desirable. It may be pointed out, none the less, that while there has been no violation by the South African Government, of the letter at least, of the 1914 agreement, the future of the Indian commercial community in South Africa is gravely menaced by the complete estopment of the growth of new vested rights. Those fortunate persons who are confirmed in their existing privileges, and seem for ever secured from competition, have ample reason to congratulate themselves. But their views are of comparatively little weight here Indian opinion, which can hardly be expected to give due attention to the standpoint of those who hold that an Asiatic trading element constitutes a menace to the economic future of South Africa, has perhaps been over-optimistic in the immediate past. For this reason the sudden re-opening of the whole question has caused a profound and most painful impression in this country.

The question of indentured Indian labour in Fiji has again come to the fore. As soon as the abuses connected with the system were brought to the notice of Government, all further flow of labour was immediately stopped, and strong representation made for the immediate improvement of conditions. Further, the cancellation of existing indentures was demanded. The Fiji legislature have agreed

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to cancel all indentures outstanding on August 20, 1920, but the Government of India have pressed for cancellation by the end of the current year. The labour question in Fiji is serious ; and it is understood that an unofficial mission is to visit India in the cold weather, with the object of persuading Indian public opinion to agree to the resumption of free emigration at Fiji under wholesome conditions. Could a satisfactory scheme be arrived at, both countries would probably benefit.

IV. THE ECONOMIC SITUATION AT HOME

INDIA, in common with other parts of the world, has been suffering acutely through the rise of prices resulting from the war. In her case, there have been two aggravating factors of much importance—the almost unexampled shortage of the monsoon of 1918-19, and the expansion of currency due to war requirements. The exact extent of the influence of the latter factor has been much disputed, but as to the effect of the former there can be no two opinions. Figures recently published by the Department of Statistics show that the deficiency of rain has resulted in very serious shortage. Of rice, the total production is less by 12,500,000 tons, or 35 per cent., than in the previous year. In wheat, the decrease has been 2,500,000 tons, or 24 per cent. ; in cotton, 400,000 bales, or 10 per cent. ; in jute, nearly 2,000,000 bales, or 22 per cent. There were also serious shortages in sugar-cane, linseed, rape, mustard, ground-nut, and indigo. In these circumstances, it is not strange that prices have risen to heights which, though well below the level of world-prices, are unexampled in India, where the margin of subsistence is, in the case of millions of persons, very narrow indeed.

Government has not been idle, although there have been complaints in some quarters that it waited over-long before getting to work. Over export of foodstuffs a rigid super-

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vision has been exercised with the object of conserving for India's use the surplus production which generally leaves the country. Rice has been imported in very large quantities from Burma ; wheat has been obtained from Australia. And though internal transport facilities have been seriously curtailed owing to shortage of rolling-stock and railway material, a strict internal control has done much to distribute the available supply of food in an equitable manner between the "surplus" and the "deficit" provinces. Fortunately for the country, the prospects of this year's monsoon are thoroughly good, and prices already show something of a downward tendency. But the surprising manner in which India has weathered an economic storm of the severest kind cannot fail to convince any impartial observer of the country's steadily increasing prosperity. We should notice that Lord Chelmsford's statement to this effect in his opening speech to Council was instantly challenged by the extreme Nationalist Press, which will never admit that the British connection has brought anything but economic ruin and ruthless spoliation to India. In point of fact, figures show that the country has largely profited through the war, which has immeasurably assisted industrial enterprises of every description. Government itself is fully alive to the importance of hastening on economic development. Proof of this has been afforded not merely in the urgency with which the report of the Industrial Commission has been taken into consideration, but also by the first tentative advance towards the encouragement of India's nascent industries in the imposition of a duty, with Imperial preference, upon the export of hides and skins.

There were also important statements in the last session of Council upon the exchange question. The rise in the price of silver, the world-shortage of precious metals, and India's enormous credit abroad for goods delivered during wartime, have combined to produce a situation which even the best efforts of Government cannot wholly mitigate. The problem of extending banking facilities has also come

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prominently to the fore, and an augury of better times is to be found in the Finance Member's announcement in Council that the three Presidency Banks of Bengal, Bombay, and Madras were putting forward a proposal for amalgamation under the control of a central board, which involved, as part of the scheme, the opening of one hundred new branches within five years, and the ultimate creation of banking facilities in every district. The importance of this scheme to India, which is at present one of the most backward countries of the world in respect of the distribution of banks per unit of population and of area, can hardly be over-estimated in the light of the prospects presented by early economic development. Another symptom of progress is to be found in the growing demand for the organisation of Indian labour. The grievances of mill-hands have long been a favourite topic with certain sections of the Press, whose tone has laid them open to the charge of making political capital out of a question really non-controversial. Government is not blind to the necessity of remedial action, and two delegates, both Indians, have been selected to represent Indian labour at the Washington Conference. One of these, Mr. Chatterjee, is the first Indian to hold office as Chief Secretary to a Provincial Government. He has intimate personal knowledge of the co-operative movement. The other, Mr. Joshi, a member of the Servants of India Society, has devoted years to the cause of social service among the labouring classes.

V. THE INDIAN LEGISLATIVE COUNCIL

THE September session promised to be of unusual interest. It has already been pointed out that the recent disturbances in the Punjab have agitated Indian feeling, both moderate and extreme, in an exceptional manner. On the other side, the wanton murder of in-offensive persons, together with the manifestation of a

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spirit of deadly hatred towards British rule, has greatly inflamed racial bitterness among the non-official English community. From every quarter an authoritative pronouncement was eagerly awaited. Certain sections of the Extremists, as has been noticed in a previous article, repeated their demands for the recall of Lord Chelmsford and for the appointment of a Royal Commission to enquire into the origin of the disturbances and into the measures taken to suppress them. It was obvious, however, from the tone of their Press that nothing but unsparing condemnation of the measures and policy of Government would suffice to satisfy them. They probably derived increased assurance from the rumour, now commonly current, that some element of popular control is to be introduced into the Government of India as a result of the reforms. The knowledge that an Indemnity Act of some kind was to be introduced merely added to the outcry of the Extremists, and was not without its effect upon the attitude of the Moderates also. It was known that Pandit Madan Mohan Malaviya with some of his followers had gravely constituted themselves into a commission of enquiry, and that the result of their "investigations" were to form the basis of a thorough-going indictment of Government. Altogether, vocal public opinion was very restive. Muhammadan opinion, moreover, after passing through a stage of apathetic acquiescence in the decrees of fate, had become once more uneasy as to the future of Turkey, and was inclined to doubt whether Great Britain sufficiently appreciated the seriousness of the issue involved in the possibility of that empire's dismemberment. Altogether, it seemed that there was likely throughout the session to be a recurrence of the recent dismal spectacle associated with the passage of the "Rowlatt Act," when the Englishmen in a solid block voted down the united opposition of the Indian members by the sheer weight of an official majority. That this apprehension proved quite unfounded must be regarded as a considerable triumph for the Government of India.

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Lord Chelmsford's opening speech was lengthy and comprehensive, touching upon most of the questions with which we have already dealt in this article. Muhammadan opinion took comfort from his assurance that the fullest possible expression of its view had, through the strong representations of the Government of India, been placed, not merely before His Majesty's Government, but also before the Peace Conference. But that portion of the speech which attracted most attention was the announcement that, after consultation between the Government of India and the Secretary of State, a Committee had been appointed to enquire into the Punjab disorders. The chairman is to be Lord Hunter, and the members Mr. Justice Rankin ; Mr. Rice, additional secretary to Government in the Home Department ; Major-General Sir George Barrow ; Sir Chimanlal Setalvad, a well-known moderate politician ; and Sahibzada Sultan Ahmad, a high official in an Indian State. So far as personnel is concerned, the committee is unexceptionable ; but Extremist politicians, both within and without the Council, were disappointed that a Royal Commission competent to place both the Government of India and Sir Michael O'Dwyer on their trial, had not been constituted.

The moving of the resolution by Mr. Malaviya for the appointment of such a Commission constituted the occasion of the first encounter between Government and the Extremists. It is important to notice that the mover soon discovered that he could find little or no support for such a resolution among the non-official members, in consequence of which he attempted, on the very eve of the debate, to introduce it in a modified form, the effect of which would have been to alter the personnel of the committee and to secure the presentation of its report not to the Government of India, but direct to the Secretary of State. It was decided that Mr. Malaviya must stick to his original motion, as the last-moment change was plainly unfair to the Member in charge, besides being

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contrary to the rules of Council. The mover spoke, as he always does, with eloquence, but his ingenious attempt to speak on the new motion while professing to move the original motion, led to his being frequently called to order. His principal ground of argument was the contention that the Government of India was so deeply implicated in the Punjab disturbances that it was improper for them either to appoint the committee or to receive its report. But the argument did not commend itself to other non-official members, and Mr. Seth Nath Mall (elected, Central Provinces) stated with refreshing frankness that he had heard nothing in the Honourable Member's speech to make him vote for the resolution. Mr. Sarma, usually a prominent supporter of Mr. Malaviya, declared his inability to follow his lead. After adjournment, the debate was resumed, and speeches were delivered by members from Assam and Madras which plainly showed the depths to which the feelings of educated India have been stirred by rumours of what went on in the Punjab. The murders of Europeans were described as "rash acts of the mob," while the military and the police were openly accused of brutality and harshness. But it was plain that the general sense of the Council did not favour Mr. Malaviya and the Extremists. Two things, however, were asked from Government : first, that another Indian and a non-official European member should be added to the Commission ; and, secondly, that the sentences of the Martial Law tribunals should be revised. Government promised sympathetic consideration of these points, and wisely met Council on both of them. The Front Bench speeches were at once firm and conciliatory, and there was a general feeling that the rejection of the motion without even a division was tantamount to a vote of confidence in Government.

The next conflict between Government and the Extremists arose over the motion of a member from Assam that the Calcutta disturbances should be investigated ;

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but this, again, did not commend itself to the Council, for there had been no allegations of any improper conduct on the part of the police and the military, and no one in Bengal desired an enquiry. But the crucial struggle took place on September 18th, when the Home Member introduced a Bill to indemnify those officers who had, in suppressing the disturbances, acted in good faith and in a reasonable belief that their actions were necessary. The Bill was carefully restricted in order that it should not prejudice the work of the committee of enquiry. In the first place, it only indemnified from *legal*, as apart from departmental, penalties actions taken "in a reasonable belief," leaving the Courts to judge whether the belief in which the officer had acted was reasonable or not. It did not indemnify individual acts, but merely asserted a principle under which the Courts could protect officers who had acted rightly and justifiably, but outside the letter of the law. It did not save any officer from such departmental penalties—dismissal, degradation, reprimand—as he might incur from excess of zeal. This harmless, almost formal, measure had been the subject of much bitter attack and misrepresentation from the Indian Press; and it was doubtful whether all the explanations of the Front Bench would suffice to secure for it any non-official support. But the introducer struck just the right note. He appealed to the Council not to judge the measure except on its own merits, to avoid all racial prejudices, and to extend protection to those officers who had done their duty reasonably and fairly. An amendment to postpone consideration of the Bill was then moved. The first indication of the verdict of the non-official members came from a Punjab representative, who announced that, after anxious consideration, he had decided to support the Bill. The opposition was voiced by Mr. Malaviya, who made a portentous oration of four and three-quarter hours, representing the disturbances to be a consequence of tactless treatment meted out by the authorities to persons

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already exasperated beyond endurance by official stupidity and harshness. Setting aside the warning of the Home Member against the introduction of racial feeling, he detailed at length his own version of the "horrors" and "brutalities" inflicted by the police and the military.

The speeches which made the greatest impression, none the less, were those which confined themselves to stating dispassionately and in detail the actual occurrences during those critical days. This was the first authoritative announcement of the facts. With curious nonchalance, Government has so far never published even a provisional account of what took place. Doubtless it has been afraid of prejudicing the contemplated enquiry; but the result is that people in other parts of India know very little of what went on during the Punjab disturbances. As a significant illustration of this, it should be noticed that the bitterest complaints against the authorities came from members representing places so remote as Madras and Assam. Punjabis themselves, who presumably knew something of the real facts, held their peace. Thus it came about that the detailed recital in council of the actual occurrences produced a strong impression upon the minds of nearly all non-officials, who were further confirmed in their confidence in Government by the clear demonstration that the Bill would in no way prejudice the findings of the Committee of Enquiry, as well as by Government's obvious anxiety to respect Indian susceptibilities by tempering justice with mercy. The postponing amendment was supported only by some two or three voices, and leave was given to introduce and subsequently to publish the Bill, without a single audible protest of dissent being heard.

The Extremists, who throughout the whole of this session having found themselves in a position of notable isolation, now fell back upon tactics of obstruction. The first symptoms of the new manœuvre were apparent in debating a Bill connected with changes in the Arms Act, when an attempt was made to obstruct for obstruction's sake—an omen of

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the very gravest kind for the Reformed Council of the future. Similar tactics were adopted in the case of the Indemnity Bill. More than thirty amendments were introduced to a Bill of six clauses, and the Council laboured through a weary day in dealing with them. Only two, in addition to those which Government itself had introduced in deference to criticism, could be accepted. All the non-official amendments, it should be noticed, emanated from three members, who alone supported them. A division was never challenged. The Bill came up finally on the 24th, when Mr. Malaviya again spoke at great length. Nothing that the officials can do ever commends itself to him, and although Government had gone a great way to meet Indian opinion—first by adding members to the Committee of Enquiry; secondly, by constituting a revising committee of two judges to enquire into sentences passed by the tribunals; thirdly, by an announcement that persons confined merely for offences against martial law regulations should be released—nevertheless his attitude of bitter opposition remained unmodified. His speech was a fine example of sustained oratory; but the day had already gone against him and his handful of Extremist henchmen. The rest of the non-official members had made up their minds in favour of supporting Government. The Front Bench speeches, while not approaching in oratorical power the utterances of the opposition, were more convincing because more sober. The Bill was finally passed late in the afternoon of the 24th, and again the minority never ventured to challenge a division. This is significant, for if there is any chance of securing a more or less united Indian vote against a united European vote, a division is always called for, in order that the spectacle of a hard and unsympathetic official *bloc* voting down the “representatives of the people” may be employed as political capital. The fact that the Extremists refrained from requesting a division was a distinct confession of their failure to shake the confidence which Government had inspired in the Moderates.

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These debates revealed the Government's strength and afforded a vindication of its policy which is difficult to ignore. There were other important debates on high prices, on currency, on banking, on the tariff, which served to elicit the facts sketched in other parts of this article. One notable incident was the introduction of a Bill setting out the scheme for the new University of Dacca. This is to be a unitary, centralised, teaching university, and represents the first-fruits of the commission presided over by Sir Michael Sadler. All these occasions provided an opportunity of which Government was not slow to avail itself. The officials were able to come out into the open, to remove misconceptions as to their policy, to meet their antagonists face to face. The Front Bench speeches were addressed quite as much to the country at large as to those non-official members whose voting was likely to be influenced by the strength or weakness of official apologetics. Here are to be found no Government organs, no election addresses, no Midlothian campaigns, no ministerial speeches in the House. The one channel to public opinion is through Council. And when a session terminates like this, leaving Government with an enhanced reputation and a stronger position, those in whose charge it falls to defend their policy from *bona fide* or interested attack and misrepresentation have every reason to congratulate themselves.

India. October, 1919

CANADA

I. THE PRINCE OF WALES'S VISIT

IT would be impossible to exaggerate the favourable impression which the Prince of Wales has produced in Canada. In the Press there has not been a word of adverse criticism, nor has there been a jarring incident at any of the remarkable demonstrations of which he has been the central figure. From the day that he landed at St. John he established a relation with the people as natural and intimate as exists in a happy household. There has been no suggestion of official restraint or of the compulsion of official machinery. No retinue of courtiers has stood between the Prince and the people. It was quickly understood that he disliked pomp and display and was distressed by organised ceremonialism. If he has been conscious of the significance and dignity of his mission, it is because he may not forget the vital relation of the monarchy to the Imperial system. But he has evoked from all classes of people a genuine spontaneous affection, chiefly because he has revealed himself with unaffected simplicity and sincerity.

All his speeches have been singularly happy and apposite. But they never have suggested laborious preparation nor pretension to wisdom and experience beyond his years. Nothing, indeed, has been more remarkable than his exact expression of himself in all his utterances. Over and over again he has spoken without manuscript, in happy, gracious sentences, without any of the artifices of the orator, but with complete felicity and singular maturity of judgment, always with the flavour of youth and never with the accent

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of patronage. In his bearing there has been a touch of shyness, but this has been apparent only at formal and ceremonial functions. In social intercourse, in saluting cheering crowds in the streets, or in greeting returned soldiers, he has been easy, companionable and responsive. He always gave the impression of simple gratitude for the good feeling for himself so universally and spontaneously expressed, and of a genuine sense of pleasure in the demonstrations of which he was the object. It is not extravagant to say that his smile has won the heart of Canada. But, responsive as he has been to the greeting of all classes, it has been apparent everywhere that nothing gave him such pleasure as the goodwill and jealous regard of the soldiers. It was plain that there was a relation between the Prince and the soldiers into which other people could not fully enter. They met as comrades and in the spirit of a happy reunion. He seemed somehow to separate the veterans from other classes and to create the impression that he and they were the objects of a common demonstration. He never spoke more freely and buoyantly than when he spoke to soldiers, nor was he ever so much a boy as when he was among them. If to other people he was a guest and a Prince, to the veterans he was one of themselves, and they knew instinctively that he coveted that relation above any other.

It was natural, perhaps, that the Press should be friendly towards the Prince, and probably there would have been little open criticism even if he had failed to excite interest or inspire regard. But the truth is that the universal popular enthusiasm evoked by the Royal visitor has been even greater than the despatches have described or could be understood by those who have not witnessed the demonstrations throughout Canada. It is not only in the towns and cities that he has been acclaimed. Crowds have gathered at wayside railway stations, where his train would stop for only a few minutes, or was not expected to stop at all, and have waited for hours, often beyond midnight, for

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a look at him and perhaps a word of greeting. In all the scattered prairie villages of the West such crowds were waiting, and perhaps by nothing else was he more deeply impressed. Nor did he shrink from any personal inconvenience or sacrifice necessary to show his gratitude for these continuous manifestations of interest and homage.

At a town in Ontario where his train was delayed, he rose at two o'clock in the morning to speak a few words to a crowd which was still waiting for his arrival and to shake hands with as many as he could. For weeks such incidents have been common. At the civic reception in Toronto he drew to his side with instant sympathy and smiling intimacy a boy who had been playing upon the street and had wormed his way into the council chamber where the guests were presented. Over and over again as he passed through crowded streets he would stand in his carriage and wave his hat to the people with natural, unaffected, boyish delight and enthusiasm. A Prince of Wales, no doubt, was certain to be well received in Canada, but the extraordinary welcome which this Prince has had is not wholly explained by the fact that he is the heir to the oldest throne in the world, or that the tide of British feeling runs strongly in Canada. His own bearing, of which he was unconscious, drew all classes to his side, and his own quality was his best passport to the affection of Canadians.

The *Winnipeg Free Press* declares that the visit of the Prince has produced "a new sense of intimacy" between Canada and the Mother Country.

In a family of nations equal in status (it says) the one visible bond of union is the Crown. The old indirection has vanished. The Crown symbolises the common origin, the common ideals, the common traditions of the British race. It occupies in the constitutions of all the confederate states virtually the same position and wields in each virtually the same prerogatives. The relations of the young, but self-reliant and self-supporting, British nations of the New World and the Antipodes to the Crown have become direct and personal since the recognition of their nationhood contained in the Treaty and in the League of Nations Covenant.

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We have, if not a new, a clearer revelation of the Throne as the bond of Empire. As the *Montreal Daily Star* has said :—

The Prince of Wales is not travelling in a strange country, but among his own people, to whom his relation does not differ in any sense or degree from his relation to the people of England or Scotland or Wales or Ireland. If we do not see this we miss the whole vision of Empire. If we do not understand this we have yet to enter into the full conception of British citizenship.

The *Grain Growers' Guide*, the official organ of the united farmers of Western Canada, describes the Prince as "the heir to the Crown which is the symbol of the unity of the British Empire," and declares that "He is a Prince of the right sort." The *Regina Leader* says :

We have a very human and lovable Prince, one who seems to find his greatest pleasure, not in the formalities and trappings of royalty, but in close contact with the masses of the people.

It asserts that "the Prince has won his way into the hearts of the people in a manner never before approached in this country." It suggests that he is receiving a further training in fitness for the high station he now holds and the more exalted position he will some day be called upon to fill.

And throughout his Canadian tour he has impressed upon all men a realisation of the fact that in himself he is well and nobly qualified for his high office.

Such is the universal testimony of Press and people to the manner in which the Prince of Wales has fulfilled his mission to Canada. Because he has been here the position of the Throne is more clearly understood and its prestige greatly enhanced. No statesman could have interpreted the Monarchy as it has been interpreted by this young, modest, smiling, gracious, democratic Prince, or could have done a service of higher and more enduring value to the British Commonwealth.

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II. THE PEACE TREATY IN PARLIAMENT

THE Canadian Parliament ratified the Peace Treaty without amendment. The motion for approval was submitted by Sir Robert Borden in a speech adequate to the occasion and to the subject. He reviewed at length the deliberations at Paris and the relations of the Dominions to the League of Nations. Naturally he put the chief emphasis upon the recognition of Canada as a partner nation in the Empire, which is substantially conceded by the representation accorded to the Dominions and the necessity for approval by the Dominion Parliaments. There was some conflict of opinion in the criticisms of the Opposition. Mr. Fielding, for example, could see no particular significance in the Treaty as affecting Canada, while other Liberal members contended that the Dominion would be committed to grave and dangerous obligations, incompatible with national autonomy and involving a costly partnership in the defence of other nations.

Mr. Fielding offered an amendment to the motion for ratification in these words :

That in giving such approval the House in no way assents to any impairment of the existing autonomous authority of the Dominion, but declares that the decision of what part, if any, the forces of Canada shall take in any war, actual or threatened, is one to be determined at all times, as occasion may require, by the people of Canada through their representatives in Parliament.

Mr. Fielding insisted that he was in favour of the Treaty, but regarded the pretence that Canada must give formal and definite approval as "arrant humbug." There was, he believed, nothing to be done at Versailles that could not have been done by Mr. Lloyd George, while the signing of the Treaty by the Canadian plenipotentiaries was "an

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attempt to get a shoddy status where no real status existed.” He said :

We are a part of the British Empire. We shall always be a part of the British Empire. I regret the policy of those who are clamouring for equal status with the Mother Country. By their clamour for separate representation they are beginning to break up the British Empire.

He argued that the claim of the oversea Dominions for separate representation had proved a serious obstacle to ratification of the Treaty by the United States, and that there was logic in the attitude of Washington. It was unfair that the British Empire should have six and the United States but one representative in the Assembly of Nations.

There is no need for a constitutional change in Canada. We are all right as a component part of the British Empire. I have no sympathy with anyone who wants to make Canada an independent nation separated from the British Empire. I want Canada to have greater freedom within the Empire, greater unity with the Mother Country, and I want her to remain part of the Empire, because I have abiding faith that the statesmanship that was developed in the past will continue in the future.

The general contention of Quebec Liberal members was that ratification of the Treaty was a step towards centralisation, a further concession to the agents of Imperialism, a derogation from the autonomous authority of Canada, to all of which tendencies and designs they were opposed, while faithful to the British Constitution and loyal to British connection.

After the Prime Minister the most logical and impressive speeches in support of ratification were delivered by Mr. Rowell, President of the Council, and by Mr. Doherty, Minister of Justice. No other man in Parliament, not even Sir Robert Borden, has devoted greater attention to Imperial problems or has a clearer knowledge of British constitutional practice and implication

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than Mr. Rowell, and it was universally admitted that no speech of greater power and penetration was made during the debate. His argument was unequivocally and uncompromisingly for equal status for the Dominions within the Empire as the only policy compatible with the free growth of national sentiment in the Dominions and as the essential condition of Imperial unity and consolidation. He is as resolute as Mr. Fielding in devotion to the Imperial ideal, but believes that there is danger in the Colonial relation, and safety and unity only in the concession of complete national autonomy to the Dominions and in equal and independent co-operation with the United Kingdom for common objects and the common security of the Imperial structure. Mr. Rowell is not a federationist; indeed, for the moment there seem to be no federationists in the Canadian House of Commons, but he believes that the Imperial Conference which will meet next year to consider the constitutional organisation of the Empire can devise machinery which will give all portions of the Empire adequate authority over foreign policy without organic union or the creation of common parliamentary machinery.

Mr. Doherty, like Mr. Rowell, insisted that the sacrifices of Canada in the war entitled the country to representation in the Peace Conference, and that the Canadian people could be satisfactorily represented only by delegates who could speak with the authority of the Canadian Parliament. It was true that the representatives of Canada had taken responsibility for settling the boundaries of Europe, but "tied up in those boundaries was the future peace of the world," and from responsibility for the peace of the world no portion of the British Empire could escape. He could not agree, however, that Article 10 impaired the power of the Parliament of Canada.

If unjust aggression occurs I have no doubt the Parliament of Canada would act on the advice of the Council of the Nations, but there is nothing in the Treaty of Peace or the Covenant of the League

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of Nations that provides machinery for the expenditure of a single dollar or the raising of one soldier if the Parliament of Canada is unwilling.

There was not a little in the debate that was trivial and unworthy of the great subject under consideration. There could have been more generous recognition of the services of the Prime Minister at London and at Paris. In much of what was said there was the flavour of partisanship or the intrusion of differences which the war produced. There was, however, a common expression of devotion to the Empire and abstention from all controversy which could produce irritation in other countries. By common consent the differences over the Treaty which have developed at Washington were ignored, nor was there even any general protest against the objection taken to Canada's representation at the Peace Conference and in the Assembly of Nations. Such influential Liberal journals as the *Toronto Globe* and the *Winnipeg Free Press* demanded ratification, and there can be no doubt that they expressed the general sentiment of the country. The *Free Press*, however, was less reticent than the speakers in Parliament. It said :—

Canada through her representatives at Paris claimed her membership in the Peace Conference as a matter of right, by virtue not only of her contribution to the war, but as well of her place in the world. It was a claim that could not be resisted ; and membership in the Conference was a recognition of Canadian equality with all other members in the Conference itself and in its derivatives : the League of Nations and the Labour Commission. That equality, thus hardly won, Canada does not propose to lose to help one political party in the United States play its game for office. Canada will be equal in status to the other members of the League or she will not be a member.

The *Free Press*, always an uncompromising champion of Canadian autonomy, regards the Treaty, or at least the provision for ratification by the Canadian Parliament, as an international recognition of the right of Canada to control its foreign relations.

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The Peace Treaty (it said), much reviled by "advanced" thinkers as an exhibit of mediæval Toryism, has produced, among its other effects, two profound changes in the British system : it has established a long desired democratic control of the treaty-making power ; and it has conferred upon the British Dominions the status of definite units in the international scheme.

In order that the position of opponents may be fully understood, it may be worth while to give an extract from *La Presse* of Montreal, the most widely circulated of French newspapers in Canada, zealous for Canadian autonomy, but often vigorous and unreserved in expressions of devotion to the British monarchy and British institutions :—

Certain people keep on asking how can there be any question of the Peace Treaty being ratified in the Canadian Parliament when Canada has never been a party to this Treaty ? Mr. J. S. Ewart, one of our most learned advocates, so far as the Canadian constitution is concerned, and an authority on international law, does not hesitate to say that the signatures of our Ministers on this famous document have no greater importance than those of the Mayor of Liverpool or the Mayor of Chicago or anywhere else. And he is absolutely right. If the preamble of the Treaty is examined, it is seen that it is an agreement come to between the United States, the British Empire, France, Italy, Japan, and twenty-two other Powers on one side, and Germany on the other. In the list of twenty-seven signatory Powers Canada does not figure. The fact that means were found of putting the name of our country and the signatures of several of its Ministers in the Treaty does not make any great difference. There was just a desire to throw dust in the eyes of the people of Canada while attempting to make them believe that the country had taken a big step along the path of emancipation, and that in some way there was in the situation an analogy to the butterfly that emerges from the chrysalis. It is time for this deceiving mirage to vanish. Not only is Canada not mentioned in the Treaty as a contracting party, but she is not even among the States which have agreed to the formation of the League of Nations. How many times has it not been said that the political status of Canada has changed for the better in the course of the peace negotiations ? This is pure political bragging. The truth is that all sorts of precautions have been taken even in the wording of the Treaty to permit us to stagnate in our former state of dependence. Let us make no mistake. Canada after ratification of the Treaty will have lost one of its most precious liberties—that which promoted her in 1914 to

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decide whether or not she could participate in the Great War. In putting our seal to the Treaty our parliament will promise beforehand to take part in any war which Great Britain sees fit to declare, be it to protect herself against Germany or to fulfil the obligations which she assumes in the Treaty in agreeing to become a member of the League of Nations.

There can be no doubt that the feeling of Canada is overwhelmingly in favour of the League of Nations and of adhesion to the Covenant. It is recognised that there cannot be a League of Nations to keep the world's peace unless the nations agree to its organisation and assume the responsibilities necessary to make the machinery effective. If we are to belong to the Empire we must take the responsibilities of Empire. If we do not hesitate at sacrifices in war we need not fear sacrifices for peace. No great thing can be done without risk and responsibility; and whether or not the "autonomy" of Canada is weakened or strengthened by allegiance to the League of Nations is of small consequence in comparison with the great object of its architects.

The country is curiously unexcited over the objection taken at Washington to the representation of the Dominions in the Assembly. It is not believed that the objection can prevail. There is even an indisposition to explain the position of Canada. Substantially, however, it is contended that, since the Dominions joined in the Great War by their own decision and not through Imperial compulsion, their right to representation in the Conference and to a voice in the terms of peace and the structure of the League of Nations could not be morally challenged. Those at Washington who contest this position argue in substance that if Great Britain and the Dominions each and all have representation, the British Empire will have five votes against one for other nations in the League Assembly, and that the Empire cannot be a political entity for trade purposes and five separate nations for diplomatic purposes. It may be that there is a certain confusion in the British

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position, but it is apparent and technical rather than practical.

Under the constitution of the League the Council consists of representatives of the principal allied and associated Powers—Great Britain, France, the United States, Italy and Japan—together with representatives of four other members of the League. Thus four members of the League will be selected by the Assembly from time to time in its discretion. The four members first selected by the Assembly represent Belgium, Brazil, Spain and Greece. It is reasonable to think that Great Britain, as one of the principal allied and associated Powers, will have direct representation upon the Council, and that as long as Great Britain is represented the body of delegates would not elect a second British representative for one of the four positions on the Council which they are empowered to fill. Thus, while there is little chance that any representative of the Dominions will be elected to membership in the Council, the technical right to such representation is defended because it is the recognition by the League of the equality of Canada with other nations. If arguments advanced in the United States Congress could prevail, Canada would have had a less influential voice in making peace or organising the League of Nations than Guatemala, Honduras, Liberia or Siam. Our great sacrifices of men and money for the security of the Empire and the freedom of Europe would have counted for nothing in the terms of peace, and we could have had no direct influence in the deliberations at Paris out of which was developed the League of Nations.

There is nothing that Canada more greatly desires than close and enduring good relations with the United States, and it will be unfortunate if Congress consents to the terms of peace with reservations which will challenge the constitution of the League as it affects the British Dominions. In practice the British Empire can have no greater representation in the League than the United

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States. The whole arrangement affecting Great Britain and the Dominions is not designed to give the British Empire any undue representation, but to recognise the position of the Dominions in the Empire, and assure to the oversea British countries equal authority with the smaller nations, many of which made no sacrifices in the long struggle for freedom and civilisation in which Canada was involved from the beginning, towards which the United States finally gave a great contribution, but which after all had a triumphant issue through the strength of British arms on land and sea and the prodigal use of British credit.

Notwithstanding the debate in Parliament there is no serious or general impression that Sir Robert Borden neglected any Canadian interest in the negotiations for peace or compromised the independence and dignity of Canada. The autonomy of the Dominion has been enlarged rather than restricted. Its right to authority in world affairs has been asserted and established. Nothing has been sacrificed to any foreign interest, nor has any Canadian interest been subordinated to purely British considerations. For the sacrifices of Canada in the war there never can be any adequate money compensation. There is, however, the consolation that we did something to save freedom, something to strengthen the Empire, and something to ensure closer co-operation between all the British countries in the future. The Prime Minister throughout guarded the interests and the dignity of Canada, exercised authority with British statesmen, and was influential in all questions with which Canada had any natural relation at the Paris Conference. In the Peace Treaty there is nothing which involves any dangerous obligation for the future. Whatever may be the value of the League of Nations, whether or not it will be a Hague tribunal or a powerful agency for preserving peace, any of us who think of the long tragedy through which the world has passed and of the incalculable loss and misery which

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war entails will pray that the League may become the very citadel of peace and goodwill among mankind through many generations.

Whatever may be the apprehensions of pessimists, Canada has gone far and fast towards the assumption of common responsibilities for the security of the Empire. The older school of Canadian statesmen proclaimed a doctrine not so different from the traditional policy of Washington. Even Sir John Macdonald and Sir Charles Tupper opposed Imperial federation chiefly because they feared that its advocates sought to tax the Dominions for Imperial defence. This opinion had great weight in Canada even twenty years ago, when war came in South Africa. The position of Sir Wilfrid Laurier was very like that of Macdonald and Tupper. But voluntarily the Dominions have accepted responsibility for the defence of the Empire and additional obligations for the preservation of the peace of Europe. Actually the Empire grows steadily in cohesion and unity, and we may not doubt, whether we subscribe to the theory of equal nations or look for ultimate organic federation, that the genius of British statesmen will develop the machinery necessary to ensure its security and permanence, to guarantee and maintain the essentials of political freedom, and to establish equal citizenship for all subjects of the Imperial Crown.

III. LEADERSHIP OF THE UNIONIST PARTY

THERE is serious concern over the health of Sir Robert Borden. A few weeks ago he had a severe attack of influenza, which was followed by rheumatism and nervous prostration. With vitality impaired by continuous and excessive labour, it became apparent that recovery would not be rapid and that a long rest was imperative if grave consequences were to be averted. He

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has therefore gone south, and there is no certainty that he will be able to resume his public duties in the near future.

Before leaving Ottawa, however, he met the Unionists in caucus, and outlined a programme upon which it is understood the Unionists will unite as a permanent political organisation. It was hoped that this programme could be put before the country before Parliament adjourned and before the by-elections in nine or ten constituencies which are fixed for October 27. But the illness of the Prime Minister necessitated delay, or, at least, it was the judgment of caucus that until his health was restored formulation of a definite platform and further reorganisation of the Cabinet was inadvisable. It is believed that Sir Robert would gladly relinquish the Premiership; but no other man as acceptable is available among the Unionists, nor is there any other man who has his prestige or authority in the country. Often the subject of depreciation, and often denounced for hesitation and indecision, it is invariably discovered when a crisis appears that he is indispensable and that he has been wiser than his more precipitate colleagues or the section of the Press which frets at his caution and prudence. Inevitably, however, there is anxious consideration of the situation which would arise if Sir Robert should unfortunately not regain the measure of health and vigour necessary to effective leadership of the Government and the Unionist party.

There is no doubt that if a successor to Sir Robert Borden had to be found in the immediate future Sir Thomas White would be most acceptable to the country and to the body of Unionists. But he has just resigned the office of Minister of Finance, his health is not satisfactory, and he would be very reluctant to take office again even if he were in better physical condition and could continue to neglect his private affairs. He is comparatively poor. His savings have been dissipated. He could barely exist upon the salary which Canada provides for the first minister. It is certain, however, that he will be subjected

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to extreme pressure if Sir Robert Borden should not be able to continue in office ; and Unionists refuse to believe that Sir Thomas will be obdurate against the appeal of a united party and such an expression of public opinion in his favour as would certainly be evoked.

Mr. Arthur Meighen would not be unacceptable to Unionists, and undoubtedly Mr. N. W. Rowell steadily improves his position in Parliament. But two years ago Mr. Rowell was leader of the Liberal party in Ontario, while 80 or 85 per cent. of the Unionists belong to the Conservative party. Party prejudices die slowly in Canada as elsewhere. Sir Robert Borden has the complete confidence of Liberal Unionists. So has Sir Thomas White. Both, too, are trusted by Conservative Unionists. It is doubtful, however, if any other man has the confidence in equal degree of both elements.

It is believed that the chief features of Unionist policy as outlined by Sir Robert Borden are a tariff designed chiefly to produce revenue, but incidentally to afford a degree of protection to Canadian industries ; equal status for Canada within the Empire, and co-operation of the British nations for commercial and Imperial objects ; liberal measures of social and labour legislation ; generous support for agriculture and judicious stimulation of land settlement ; and effective organisation and prudent extension of the national railway system. There are said to be no differences in the Government over fiscal policy, but there are Western Unionists in Parliament who will probably demand a lower tariff than the Cabinet will concede or the bulk of Conservative Unionists support. Hence over the tariff there will be defections, but the losses will not be serious enough to endanger the Government.

A more difficult problem is the constitution of the Cabinet. When the Union Government was formed it was intended to have an equal representation of Liberals and Conservatives. But a permanent Unionist party, as has been said, will have 80 or 85 per cent. of Conservatives to 15 or 20 per cent.

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of Liberals. It is argued that the constitution of the Cabinet should have some natural relation to the constitution of the party. This would give only four or five Liberal ministers, even with generous over-representation of the Liberal element in the constituencies ; and naturally it would be alleged that the Liberal ministers would be subject to domination by the Conservative majority. There is reason to think, however, that the reorganised Cabinet will have fewer Liberals than Conservatives, and it remains to be seen if any of the Liberals now in the Government will refuse to continue in office under such a condition. They will not be required to reach an immediate decision. The Unionists have decided against an early dissolution of Parliament. There is unlikely to be a general election before 1921. The chances are, therefore, that old party relations will have lost their significance before the Government goes to the country, and that the exact numerical representation of the old parties will not greatly concern either the ministers themselves or the constituencies.

There are evidences that the element in the old Conservative party which opposes consolidation of the Unionist forces becomes less active and less influential. The old name will gradually disappear, even though only a moiety of Liberals will adhere to the new party. It is certain that many Liberals who voted Unionist in the last election have withdrawn their support from the Government, not so much over dissatisfaction with the Government as in preference for old associations, and that Hon. Mackenzie King, chosen by the National Liberal Convention to succeed Sir Wilfrid Laurier, will endeavour to heal the difference which the war and conscription produced. But many of those who desert a party never return to the old allegiance. The Unionist Party will not be wholly Conservative, and its attitude towards many questions will be affected by the Liberal minority. In the next Parliament, too, there will be a greater direct representation of farmers

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and of Labour. Possibly, as in so many contests in Canada, the chief issue will be the tariff with the strength of the Unionists in the industrial communities. But political conditions have been so vitally disturbed that it would be rash to prophesy, while much depends upon the leadership of the Unionist Party. If his health is equal to the further strain of office, Sir Robert Borden will not be permitted to retire; if he cannot go on, consolidation of the Unionists under his successor may be a far more arduous undertaking.

IV. LABOUR AND THE INDUSTRIAL CONFERENCE

Industrial peace has been generally re-established throughout Canada. There are petty strikes here and there, but the decisive defeat at Winnipeg has sobered the revolutionary elements in Labour. All across the West, where the One Big Union had a short but alarming ascendancy, the international unions have reorganised, and the authority of the Dominion Trades and Labour Congress, which is the organ of international unionism and the ally of the American Federation of Labour, has been restored.

It was expected that the annual convention of the Trades and Labour Congress at Hamilton in September would witness a struggle between the Syndicalists and the Internationals. But there was no struggle, nor even an exciting debate, between the opposing forces. There were extremists in the conference, but from the outset they recognised that they were in a hopeless minority. Only a single hand was raised against adoption of the report of the Executive Council, which declared that—

The futility of the One Big Union method should have been apparent from the beginning, founded as it was on force and intolerance of the chosen leaders of the Labour movement, repudiating the organisations from which they drew their financial and numerical strength,

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preaching class hatred throughout the country, and gambling their whole future on the success of sympathetic and national strikes.

Mr. Tom Moore was re-elected President of the Congress, and Mr. P. M. Draper Secretary, while not a single delegate suspected of the taint of Bolshevism secured a place on the Executive Council.

In all the Western communities where the unions seceded from the international organisations Trades and Labour Councils in affiliation with the Dominion Congress have been reconstituted, while the organisers of the One Big Union throughout the mining camps of Alberta and British Columbia have been repudiated, and in cases required to leave the country. Even in Vancouver, where the Socialists and Syndicalists have been very influential, and where the Labour leaders would not appear before the Industrial Commission, the unions have submitted to the authority of the Dominion Trades and Labour Congress. The leaders of the Winnipeg strike have been released from the Stony Mountain Penitentiary, but are under bail for trial on charges of seditious activity. Three or four of the active leaders of the Winnipeg revolt have held meetings at Montreal, Toronto, Hamilton, and other industrial centres in older Canada, but they have not always found it easy to obtain public halls, and have been coldly received by the masses of Labour unionists. Indeed, the collapse of the One Big Union is as remarkable and spectacular as its sudden appearance in Western Canada. It is true that organised Labour, united in the demand for the release on bail of the Winnipeg strike leaders, is as united against all extreme regulations affecting freedom of the Press and freedom of speech, and is generally opposed even to deportation of aliens for political offences, but for unconstitutional action to effect industrial or political objects the Dominion Trades and Labour Congress has neither sympathy nor support. It may be worth while to reproduce the comment of the *American Federationist*, the official organ of the American Federation of Labour, on

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the Winnipeg strike and the eruption of One Big Unionism in Western Canada :

There are great calamities that leave their trails of blessing. There are clouds that in compensation eventually turn their silver linings upon the erstwhile depressed. There are those who insist that there is a law by which good always compensates for evil in some way. Whatever may be the truth of that, there are times when experiments in doubtful ventures prove the worthlessness of those ventures to others who may be contemplating their chimerical virtues. Such seems to be the case with respect to Winnipeg and the so-called One Big Union that for a time blazed in that municipality with such spectacular effect.

Winnipeg is not without its value to-day. Perhaps it was even helpful. Certain it is that the wave of adventure, ill-advised as it was, has been receding since the fiasco of Winnipeg. One Big Union advocates are being less heard than formerly. There are few to-day who clamour for this particular road to Utopia. On the other hand, those in Western Canada who, under the spell of the Winnipeg frenzy, forsook the American Federation of Labour are coming back into the *bona fide* and time-tried movement as rapidly as they can. It is stated that ninety-five per cent. of the miners who left the United Mine Workers have returned to that organisation. In Vancouver, on petition of nine international unions, a new central body has been formed to which those who seceded are making haste to affiliate themselves. In our own north-west the desirability of the so-called One Big Union is much less ardently proclaimed than was the case earlier in the year.

Winnipeg failed to grope its way into the promised land. For the One Big Union the loss of Winnipeg was a moral loss of the most damaging kind. The idea could not stand the test, and it went down. That the idea would not stand the test was, of course, a foregone conclusion. Its friends may liken their concept of the One Big Union to the ant-hill with its complete unity, but they would do a better service to accuracy if they would liken their project to a joining of ant-hill and poultry yard in community of effort.

There are fundamental reasons for the existence of the American labour movement in its present form. The movement has grown to its present great strength and ability for service through the experience of the men and women of labour in daily grapple with conditions over a period of years stretching back into the early history of our country. Someone did not sit down and evolve a theory around which he built the movement. The American labour movement is a movement that has grown, moulded by the needs of toiling humanity and the conditions under which they work. As such it

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is the logical and enduring servant of the American working people. Winnipeg proved only what was proved long ago, but which some chose not to see until it was thrust upon them through adversity.

The Industrial Conference, which was held at Ottawa in September, produced a clearer understanding between employers and leaders of labour. Upon the eight-hour day and recognition of unions there was disagreement, but also mutual concessions. The employers would not accept the system of Whitley Councils, as developed in Great Britain, but declared in favour of plant councils, and agreed not to challenge the right of unionist organisation in factories, nor to discriminate against unionists. On the other hand the labour leaders conceded that recognition of a union "does not mean the closed shop unless it is part of the agreement entered into." In the debate on the eight-hour day employers contended that with the shorter day production could not be maintained, that any such arbitrary regulation could not be applied to fishing, lumbering, or farming, and that there were industries in Canada in which the eight-hour day could not be adopted unless a like regulation prevailed in competitive industries in the United States and other countries. It was shown that the eight-hour day now obtains in 43 per cent. of the factories of Canada, and it was stated by employers that in certain industries in which the eight-hour day was conceded the workers had suggested restoration of the nine or ten-hour day with overtime for the hour or two hours added. The Conference finally agreed to ask the Government to appoint a Commission to report upon the situation of industries in which the eight-hour day has not been established, and to determine in what callings fixed hours of work are impracticable owing to seasonal and climatic conditions.

The Conference approved minimum wages for women and children, and suggested further inquiry into the probable effects of minimum wages for unskilled labour. Resolutions were adopted in favour of a Speakers' Con-

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ference to investigate the merits of proportional representation and of a Bureau in the Department of Labour to assist organisations of employers or employees who may desire by joint voluntary action to establish industrial councils; emphasising the necessity for continuous and active co-operation by the Dominion and Provincial Governments to improve housing; opposing restrictions upon freedom of speech or liberty of the Press "intended to prevent criticism of legislative or governmental action"; recommending co-ordination of the Labour laws of the various provinces; urging equal opportunities in education and compulsory schooling to the fifteenth year, and of part time for the two ensuing years in towns and cities; and asking that boards be appointed to inquire into the subjects of widows' pensions and State insurance against unemployment, old age, sickness, and invalidity.

It was significant of the temper of the Conference that no ballot was taken upon any resolution submitted. There was agreement upon so many proposals that it was determined not to emphasise disagreement upon other questions. Day by day the opposing groups came closer together. Now and again there were sharp differences of opinion, but it cannot be said that during the six full days of conference there was a single unhappy incident. Probably the outstanding figure of the Conference was Mr. Tom Moore, leader of the Labour group and president of the Dominion Trades and Labour Congress. He is firm but conciliatory, a skilful debater, a statesman in temper and outlook. Possibly no other leader of Labour of equal ability and distinction has appeared in Canada. He would take a distinguished position in Parliament, and it is impossible to believe that he will long remain out of the House of Commons. It is a remarkable fact that in the Senate, the House of Commons, and all the legislatures of Canada there are only six direct representatives of Labour, while there are 161 farmers and 714 representatives of business and the professions. In the House of Commons

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there are only two Labour members, although the workers constitute 25 per cent. of the population. It was the general feeling among employers at the Industrial Conference that Labour should have greater direct representation in Parliament, and that among the Labour delegates there were many men who would give distinction to any legislative body in the Dominion.

Canada. October, 1919.

AUSTRALIA

I. THE SEAMEN'S STRIKE

WHAT will probably be known, in the economic history of Australia, as "The Second Maritime Strike" began in the middle of May and lasted for over three months. It resembles the First Maritime Strike of 1890 in little except that it brought to a sudden and disastrous standstill the shipping trade of the Commonwealth, with the natural consequences of widespread unemployment and distress, great public inconvenience and critical conditions in the industrial and political world. The seamen's strike of 1919 differed fundamentally in its objective from that of 1890, since it was no mere claim for the recognition of Unionism, or an attempt to gain certain industrial reforms, but an openly avowed repudiation of industrial arbitration in favour of "direct action," with the further implication that the political labour movement stood condemned as having shown itself incapable of securing the industrial reforms sought by the working class. In 1890 the political labour movement of Australia was in its infancy. Trade Unionism was still agitating for the primary conditions of recognition and industrial amelioration through collective bargaining and constitutional enactment. The generation that has intervened between the two strikes has witnessed phenomenal social progress and advanced industrial legislation. It has seen the remarkable growth of Trade Unionism and the political labour movement, resulting in the frequent triumph at the polls of

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the cause of Labour. But to-day the movement is definitely split upon the world-wide issue between direct action and parliamentary government.

That issue was not first raised by the seamen's strike. It was becoming prominent even before the war. But, as is the case with all revolutionary action, only conditions of extraordinary hardship and social disturbance can afford revolutionism any chance of progress in a country wedded to constitutional measures and enjoying considerable and evenly distributed prosperity. As was pointed out in the section of the Australian article dealing with "The One Big Union" (ROUND TABLE, No. 35, June, 1919), "the social and economic disturbances inseparable from a world-war, and particularly the two Conscription Referenda, coupled with the repercussions of the Russian Revolution and industrial unrest in the United Kingdom, provided a golden opportunity to all extreme Socialists and revolutionaries in Australia to gain a hearing and sympathy that normal times would never vouchsafe to them." The inflammatory speeches of the president and secretary of the Seamen's Union have shown them to be aware of the unusual advantage which the abnormal conditions provide.

Upon these developments the history of the strike itself is a vivid commentary. In the particular demands of the seamen there was nothing very extravagant. Their chief points were: (1) £14 a month for able seamen, equivalent to an advance of 35s. per month, with similar increases for ordinary seamen, firemen, and other grades. (2) A maximum six-hour day in port. (3) The carrying into effect of the provisions of the Commonwealth Navigation Act, 1912, with regard to accommodation, with additional provisions for cleaning, attendance, light, bedding, etc., and the application of the menu of the Commonwealth Steamship Line to all ships. (4) Increased payments for overtime, working cargo and trimming coal. (5) An insurance guarantee of £500 to be paid to the next-of-kin of seamen dying at sea, and for wages during sickness.

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The President of the Federal Arbitration Court, Mr. Justice Higgins, had made an award to the seamen as recently as December, 1918, raising the minimum rate for an A.B. seaman from £11 a month to £12 5s. In giving his judgment the President made a clear statement of the relative positions of seamen in various countries. The following extracts from his remarks will make the position clear :

What has really stirred the Union to make such a claim is an abnormal rise in rates for seamen in America as well as in Great Britain. On the Pacific Coast, as well as on the Atlantic Coast, the rate for A.B.'s is now £15 a month, as contrasted with the Australian rate of £11, and when the men meet in ports the contrast is disturbing. But . . . it appeared from the best figures available that the price of food had increased from 1914 in Great Britain by 118 per cent., in the United States by about 63 per cent., whereas in Australia the increase (food alone) is about 28 per cent., so that a man who has a family living in Australia can provide for it with less money than in these other countries.

In the present dispute, the Judge, after repeating these remarks, went on to point out the additional factors of the submarine warfare, and the enormous increase in the American mercantile marine. But these observations had little influence with the seamen, who dwelt mainly upon the high cost of living, the risks from the influenza epidemic, the enormous profits made by the shipping companies, and the delay in bringing the Navigation Act into operation. This Act was finally passed in 1913, but was not proclaimed, in response to a request from the British Government, and also to give sufficient notice to the shipowners, and the war broke out before it could be applied. It is thoroughly comprehensive, and includes numerous provisions for the most generous improvements in the accommodation, food, protection, and general conditions of seamen.

In April of this year the seamen presented to the employers a new log of great length and complexity, whose main points are summarised above. As most of the inter-

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State shipping was still under Government control, as in war-time, it was with Admiral Sir William Clarkson, the Shipping Controller, that the Union representatives opened negotiations. After much fruitless discussion between the parties, the Controller referred the Union to the Commonwealth Arbitration Court. The reply of the men was to give the usual twenty-four hours' notice and leave the ships at their home ports. As the existence of an industrial dispute enables the Arbitration Court to act, the President granted the request of the Commonwealth Government for a compulsory conference of representatives of both sides. As a result, the seamen's representatives agreed to undertake a plebiscite of their members to determine whether the ships should be manned, and the whole dispute then referred to the Court for arbitration. The true character of the policy of the president and secretary and some other members of the Federal Council of the Seamen's Union now became clear. The secretary, Mr. T. Walsh, began a series of violent speeches against industrial arbitration and in favour of direct action. The fact that Mrs. Walsh was formerly Miss Adela Pankhurst, the extremeness of whose views was common knowledge, was held by most people to be no insignificant factor in the strike. There is no doubt that it was chiefly the influence exerted by the secretary which made the ballot completely ineffective, only very few of the men voting at all. Mr. Justice Higgins then made an important statement from the Bench, in the course of which he said :

I adhere to the policy that a union is not to have arbitration and strikes too. . . . When asked why they had not approached the Court for the consideration of these claims, they stated that they understood that the Court had not power to grant them, and when I reassured them as to the power of the Court . . . they frankly said that they did not believe in arbitration, but in "direct action." Some of the representatives, however, were strongly in favour of going to arbitration. . . . The curious thing is that under the constitution of the union the settlement of disputes by arbitration is the union policy, and this policy is now being ignored. . . . As I

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diagnose the position, a few active, intelligent men have got control of the machinery of the union, men who probably have had their minds saturated with writings from outside countries, men who hold the fixed theory that nothing substantial can be gained without extreme courses. There seems, indeed, to be a touch of pedantry in applying the counsels of desperation, imported from abroad, to a country like Australia, which is struggling toward a better system for securing justice all round. . . . I can only say that if the employers grant the claims under such circumstances, they and the community will rue the day—as in the case of the coal trouble. Those who are in favour of direct action will point to the gains as achieved by their pet policy ; and the same kind of “stand and deliver” demand will again be made, and soon.

These remarks greatly incensed the extremists, who have since cast not a little of their abundant stock of vitriol at a Judge whose keen sympathy with the claim of the workers for a higher standard of living has never been in question.

In the meantime, the ever-increasing army of the unemployed, and the known opposition to the extremists of a large number of trade union and political leaders, induced the Trades Disputes Committee of the Melbourne Trades and Labour Council to intervene in an effort to bring about a settlement. Their negotiations, with the Government on the one hand and the Seamen's Council on the other, led to proposals being laid before the Acting Prime Minister, Mr. W. A. Watt, who, however, could not see his way to accept them, but declined to make them public. It may be added, throughout the dispute, the Federal Cabinet has shown very praiseworthy restraint, making no statement likely to inflame the minds of the men, and taking no notice of the irresponsible advice offered by some sections of the Press to call for volunteers to man the ships. Undoubtedly such action at that stage in the dispute would have precipitated immediately a general strike throughout Australia. At one time it appeared possible that the seamen's advocates would themselves secure such an extension, but the refusal, on strategic grounds, of the coal miners to strike rendered such a development impossible. On July 7th the compulsory

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conference was resumed, but again ended in failure, the seamen's representatives declining to advise the men to return to work until their main demands were conceded, declaring that "the men were determined to see the thing through." The wild utterances of the seamen's secretary at last provoked the Government to prosecute him, and he was heavily fined for infringing the Arbitration Act in advising the men to strike. He replied by aggressively repeating his offence, and challenging the Government to imprison him. He also declared that the workers would throw the City of Melbourne into darkness, and that he could get ample funds from America, Germany, and Austria. This conduct left the Government no alternative but to prosecute him a second time, as a result of which he was fined £200 and committed to prison for three months. After protracted negotiations, the Melbourne Trades Disputes Committee succeeded in bringing about an Inter-State Conference of Trade Unions, which procured from the Government definite proposals for a settlement. These included the immediate manning of the ships, a conference with the Seamen's Union, the ratification of its findings by the Arbitration Court, and the reference into the Court of matters not agreed upon. These terms were completely rejected by mass meetings of seamen in Sydney and Melbourne, and the full demands, with the addition of the release of Walsh, were reiterated with emphasis. The most remarkable feature of the Melbourne gathering was, perhaps, its utter refusal to hear the delegates from the Trades Hall Disputes Committee. This caused great offence at the Trades Hall, and increased the strength of the movement against the extremists. In Adelaide both the seamen and unionists in general, including the political leaders, had expressed themselves emphatically against direct action, and in favour of arbitration. In Sydney there was still stronger evidence of cleavage between the moderates and the extremists in the Labour Party. In the Political Labour Conference of New South Wales, held

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during the strike, the long-threatened split between the reformists and the Socialists definitely occurred. The latter separated off to form the "Industrial Socialist Party of Australia." The leaders of the new movement are the extreme industrialists in the trade unions and the political Labour Party. Without hesitation, the executive of the political Labour Party expelled the recalcitrant members, and declared the new party "bogus." These developments, coupled with the virtual failure of the One Big Union and the ultimate collapse of the strike, make practically certain a strong reaction against extreme measures. As has been frequently stated in these pages, revolutionism has no hope of permanent influence in a country like Australia.

The strike came to an end on August 26th. After much fruitless bargaining by the seamen of Melbourne and Sydney, and many resolutions and counter resolutions, the men accepted the terms of the Commonwealth Government and at once proceeded to man the ships. The Government remained firm in refusing to alter its terms, particularly in regard to the release of Walsh. The result is generally regarded as a distinct setback to direct action, and a confirmation of the policy of industrial arbitration for the settlement of disputes.

II. REPATRIATION

EXTERNAL observers might be disposed to consider that in the work of repatriation Australia would occupy a highly favoured position, and that in her case the task should be comparatively simple. True, she possesses vast natural resources capable under wise leadership of indefinite expansion, while the State and Federal Governments are themselves extensive employers of labour. But such an estimate overlooks, unconsciously perhaps, the

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constitutional and administrative difficulties to be encountered. For example, defence is a Commonwealth function, but by far the greater number of agencies necessary for the rehabilitation of the soldiers is controlled by the States. Nevertheless the Commonwealth is resolutely concentrating its attention upon ambitious schemes, the keynote of which is struck in Senator Millen's open letter to the men coming home : " Australia is determined that every returned soldier shall have a full opportunity to again establish himself in civil life." If in the past the policy adopted to compass this promise seemed hesitant, and the measures inadequate, it must be remembered that there was little experience available to guide administrators through the maze of complex problems confronting them. Accepting, however, the record of past achievements as the earnest for the future, there is general accord with the claim made by the acting Prime Minister at the opening of the present Federal Session that

although much general repatriation work yet remains to be done, and experience is continually pointing to fresh activities and new methods, it may fairly be said that the repatriation machinery is running smoothly, and the system, considering its magnitude, has already achieved gratifying results.

Repatriation activities prior to the establishment of the existing Commonwealth Department under Senator Millen are chiefly of historical interest, but a brief review is helpful as illustrating something of the difficulties mentioned before. At the instigation of the Federal Parliamentary War Committee, State War Councils, comprising representatives of Federal and State Parliaments, of Chambers of Commerce and manufacturers, and of organised labour were constituted in 1915, and these accomplished valuable work in finding employment for returning men, and in granting relief and assistance to them and their dependents. Out of the experience of these honorary bodies grew the Australian Soldiers' Repatriation Fund 1916. The fund, which was

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vested in trustees, was to be raised primarily by voluntary subscriptions in cash or kind, supplemented by grants from Federal and State Governments, and it was hoped that it would more readily harmonise with any development of a scheme for general repatriation. Subsequently to the launching of the first conscription campaign in 1916, Mr. Hughes's Government announced its intention of raising a fund of £10,000,000 by a special wealth levy, whereupon appeals for voluntary subscriptions ceased. The experience of the Repatriation Fund trustees while conducting operations through the State War Councils showed conspicuously the complications arising from dividing control between the Commonwealth and States, and pointed the need for alteration. Owing to constitutional limitations, the Commonwealth is dependent upon the co-operation of the States for the fullest development of its repatriation policy. To illustrate from two matters—land settlement and education; each of these is under the control of the States, and this fact in the main determines the policy of land settlement, and of providing arrangements for the work of re-education or for technically training the incapacitated. In view of these and other difficulties, the trustees recommended to the Prime Minister the desirableness of securing to the Commonwealth fuller control. Accordingly at an Inter-State Conference of Federal and State Ministers held in January, 1917, the following resolution was passed: "That with the exception of land settlement, and advances to be made against improvements and for other purposes under the laws regulating State Institutions, the entire question of the re-establishment of returned soldiers and sailors, and the care of dependents of soldiers and sailors generally, be made the concern of a Commonwealth authority." In pursuance of this decision, Senator Millen introduced the Australian Soldiers' Repatriation Bill in the Senate in July, 1917, and the preliminary work having been completed, the existing Department took over operations throughout the Commonwealth on April 8th,

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1918. Broadly, provision is made for a Repatriation Commission at Melbourne, Repatriation Boards at each State Capital, and District Repatriation Committees usually coterminous with local government areas. There are in addition State and District Soldiers' Industrial Committees. Members of the Commission and of all boards and committees are unpaid. The principle of admitting the men to a voice in control is given effect to upon the Commission and the State Boards which comprise seven members, by securing that two shall be representatives of returned soldiers and sailors. The chief executive officer is the Comptroller in Melbourne, and there is a Deputy Comptroller in each State. The organisation thus covers the whole Commonwealth and brings every part of it directly under the operation of the Department.

While the organisation of the Department has been subjected to criticism, there is general agreement as to the adequacy of the scheme of repatriation. The scope of the work has been conceived as an organised effort on the part of the community to care for those who had sustained wounds or contracted illnesses in the service of their country, to reinstate fit men in civil positions as far as possible equivalent to those previously held, and to maintain the dependents of those who had fallen. To give effect to the determination to care for the wounded and sick, provision has been made to erect, equip, and construct houses, hostels, sanatoria, workshops and training establishments. For those permanently incapacitated provision will be made in hostels, or if they are maintained in the homes of friends an allowance will be made for sustenance. Pensions for totally incapacitated married soldiers range up to £3 17s. 6d. for a man, wife, and five or more children. For the partially or temporarily incapacitated who fall into three main groups, vocational training is provided. The less seriously incapacitated who may be expected after a brief period of training to reach normal efficiency, are catered for in the ordinary factories and workshops, their earnings being subsidised to

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bring them up to the standard wage. The more seriously incapacitated who could not without special preliminary training usefully find a place in an ordinary industrial establishment will be given an opportunity of going into technical classes with a curriculum specially designed to meet their cases. The still more seriously incapacitated whose injuries preclude the possibility of their ever being competent to earn their living will be provided for in national workshops.

With regard to the fit, two main principles have guided the Commission : (a) That the true purpose of repatriation is to secure the re-establishment of returned men in the industrial life of the community to the fullest extent that circumstances permit ; and (b) that as a soldier abandoned his civil calling to serve the State, it is the duty of the State to maintain him until opportunity of such re-establishment is secured. To this end grants may be made for equipment, or for tools (up to £10), which after twelve months become the property of the grantee, and amounts up to £150 or in certain circumstances up to £250 may be lent for the purchase of businesses, plant, etc. Where assistance is by way of loan, interest at 5 per cent. is charged during the period of repayment on the amount in excess of £50. While awaiting employment, or during vocational training, sustenance allowances (graded so as to discourage malingering, and not to be confused with wages) are paid. In the case of apprentices the Department undertakes to provide facilities for completing interrupted apprenticeships, and grants sustenance equal to the difference between the earnings of the apprentice and the wages of a journeyman. Since the task of re-education must be made to subserve the main scheme, the aspirations of those who desire a change of occupation must not be allowed to hinder, though subsequently they could be provided for. If, however, repatriation were rigidly limited to reinstatement in a position similar to that occupied before enlistment, much hardship might be inflicted. Senator Millen rightly insists

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that success can only be ensured by the fullest co-operation on the part of the men. In his letter he says :

The general policy of the Department throughout will be to encourage and assist you to re-establish yourselves in civil life. It will see that you get a square deal on your return home. It cannot make you all successful, but it can provide you with the means of making yourselves successful. . . . The Department will provide the opportunity, it will rest with you to turn it to good account.

Dependents are provided for by the grant of pensions or sustenance allowances ranging from £2 11s. per week for a widow and one child to £3 5s. per week for a widow and five or more children. Grants may be made up to £25 for furniture by way of gift to widows in necessitous circumstances, and advances up to £150 may be made for discharges of mortgages. Special privileges are also secured for the education of children of deceased soldiers. An important adjunct to the work of repatriation is the War Service Homes scheme, also under the direction of Senator Millen. The preamble recites that the Act is to "make provision for homes for Australian soldiers, and female dependents of Australian soldiers," but it is intended to extend the provisions to munition and other workers who undertook service abroad under contract. On the one hand the Act contemplates very extensive building operations being embarked upon by the Commission, for the direct benefit of soldiers, and on the other, the finding by the Commission of funds for applicants who desire to build for themselves, or to acquire houses already built. Advances ranging up to maximum of £700 are made, and for financing this aspect of the scheme the Commonwealth Bank and the Commission are to co-operate. No sustained action has yet been attempted in Australia to meet the housing problem, and there is no doubt that the measures contemplated by the Federal Government can do much to influence the social developments of the future. The Commission is wisely giving attention to the needs of country industrial centres

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with a view to remedying the tendency hitherto manifested of permitting the workers to crowd into small areas in unsightly and unhealthy cottages.

The work of land settlement prevents the complete absorption by the Commonwealth of all repatriation activities. The only land controlled by the Commonwealth is in Federal Territory, Northern Territory and Papua, all of which is on the whole unsuitable for soldier settlement. At first the States had anticipated doing everything in the matter of land settlement without reference to the Commonwealth, but at a conference of Ministers in 1916 it was decided that the funds for making advances to soldier settlers should be provided by the Commonwealth. At a subsequent conference held in January, 1917, a Soldiers' Settlement Board was constituted comprising a Minister from the Commonwealth and from each State to co-ordinate the policy of land settlement. An agreement has since been arrived at under which the Commonwealth advances through the States up to a maximum of £625 to each settler. The prospect of a forward land policy is not unwelcome to the States, but in all, save Queensland and Western Australia, adequate settlement will depend upon the State Governments acquiring suitable estates and developing railway facilities. In the period under June 30th, 1919, slightly more than 4,000 men have been provided for in all the States, although Senator Millen indicated in January last that with the accelerated rate of demobilisation 17,000 holdings would be required this year. Holdings, including blocks on irrigation settlements, comprise land suitable for sheep, for wheat and dairying, viticulture, poultry, pigs, and so on. The success of many of these will depend upon the erection of factories and the construction of railways to ensure markets. In this the Commonwealth is co-operating by advancing money to enable the States to put in hand the necessary works. Careful selection by classification of men for rural occupations, together with comprehensive courses of practical training

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on Government experimental farms and on group settlements, are not only providing repatriation but are undoubtedly adding to the number of successful primary producers in the Commonwealth.

An important experiment is in the nature of group settlements. Here the advantages are that it avoids the isolation of country life, it affords an opportunity for co-operative methods of production, purchase and sale of goods and commodities, and it enables the Department to supervise the initial development as well as provide the settlers with instruction as to methods. If this last experiment leads to a development of similar co-operative associations to the Irish Agricultural Organisation Society it will be amply justified.

From information made available recently it is clear that the maximum strain upon the Department of Repatriation in regard to demobilisation has now been reached. Up to July nearly two thirds of the men had returned to Australia, and up to June 30th 128,000 had been discharged. More than 100,000 had applied for assistance and of these, until the seamen's strike dislocated industrial life, not more than 4 per cent. were then unprovided for. Obviously now the most important question to be faced is that of finance, but no reliable estimate of the ultimate expense can yet be made. Senator Millen's view is that "we have to consider what is a fair and reasonable coat to make, and having decided upon that we must set to work to get the cloth for its production." At June 30th a sum of £1,224,599 had been distributed as loans or as gifts. But this gives little indication of the charge upon the Commonwealth. War pensions now amount to £5,234,812 per annum, and are expected to reach £6,000,000. The expenditure under the War Service Homes scheme may involve as much as £50,000,000, and the land settlement schemes are expected to absorb between £30,000,000 and £40,000,000—to which must be added the cost of vocational training, of administration and many other incidentals. Much of this will be by way of loan, but

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unquestionably the successful financing of the various proposals will tax the resourcefulness of the Commonwealth Treasurer to the utmost.

III. THE RETURN OF MR. HUGHES

DURING the last few weeks Mr. W. M. Hughes, the Prime Minister, has made a triumphant reappearance on Australian soil. He has been away sixteen months, and during that time he has attended a meeting of the Imperial Conference, sat in constant consultation with British statesmen as a member of the Imperial War Cabinet and the British Empire Delegation in Paris, and, lastly, attended the Peace Conference at Paris and Versailles as Australian delegate. The welcome he has received has been unsurpassed in the history of Australia. Landing at Perth on August 22, he has made a progress through the States of Western Australia, South Australia, and Victoria amid acclamations comparable only with those given to a Roman victor. These demonstrations have been quite spontaneous and have a deep significance. The welcome has been entirely a personal one. It has not been given to Mr. Hughes as the representative of any party or section of the community. The public of the three States has, apparently, whether in a sudden mood of excitement or on more solid grounds, selected Mr. Hughes as the personality most fitted to lead the country through the next few years of reconstruction and reparation. His reception in New South Wales and Queensland may be colder, but similar influences will work there in his favour, and the strength of his position will not be affected.

It cannot be gainsaid that the remarkable character of the welcome given to Mr. Hughes has profoundly affected the political situation. Mr. Hughes occupied a peculiar situation in politics comparable with that of Mr. Lloyd George on the signing of the Armistice. His qualities as a

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war leader brought him to the front during the war in spite of party difficulties. His own following is almost negligible. The two other parties in the House dislike him intensely. He became leader of the Nationalist Party through combination with one of these parties, but the war was the sole bond of union and the coalition is most precarious. The problem is whether Mr. Hughes will be able to convert into cash the credit which he obviously possesses in the community and by a stroke of political virtuosity provide himself with the followers and party organisation which he now lacks. Whether he will succeed depends a good deal on the true character of the welcome which has been given him, whether it is hysterical and ephemeral or whether it is permanent. To estimate this it is desirable to analyse somewhat more in detail the causes which have led to the late outpouring of emotion.

The element in Mr. Hughes's record which has attracted to him the admiration of the majority is undoubtedly ✓ that he stands as a symbol of Australian nationalism. Before the war the Australian was assertive with the assertiveness of a man who had to prove his case. The record of the Australian soldiers in the war has proved that case, and Mr. Hughes has returned as the leader of the country through the crisis of the war and the man who secured in Paris the fruits of victory. This accounts for the conversion to his cause of many who were his political opponents.

Another factor of great importance is undoubtedly the support of the returned soldiers. When Mr. Hughes arrived in England in 1918 he quickly realised that there was a considerable amount of incipient discontent amongst the soldiers, some of which was justified. He set to work, in ways that were not at all acceptable to military authority, to allay this feeling. He was at once able to secure the return to Australia of men who had left in 1914. In every way he made himself personally accessible to the soldiers. This enabled him to realise the conditions under which they lived; and, by inviting complaints to be addressed

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personally to himself, he got an insight into their psychology and was in some cases able to help them. This would probably not have carried him very far, for the administration of the A.I.F. was humane and many petitioners had to be disappointed. But Mr. Hughes was in temperament well fitted to appeal to the Australian soldiers. He has that combination of pugnacity, impulse and brains which made them the wonderful fighters they were. Mr. Hughes is himself a Digger, and understands their mentality better than anyone. They approve of and delight in public acts which from the point of view of the old diplomacy would be regarded as highly dangerous. The more Mr. Hughes brandishes his fist in the face of other nations the more the Digger approves. The combative element in Mr. Hughes's character has entirely won them, and he can rely upon them for a very large measure of support in anything he undertakes.

Another factor in his success is the complete lack of an outstanding personality amongst the other members of the Australian Parliament. Never were the Councils of Australia so bankrupt of men capable of leadership. Mr. W. A. Watt, the Acting Prime Minister, has shown many elements of statesmanship during Mr. Hughes's absence, but the state of his health is precarious and early retirement has been predicted. There is no other figure capable of formulating the great schemes of policy needed for reconstruction or even of compelling loyalty or support from the somewhat diverse elements of which the National Party is made up. Mr. Hughes is, moreover, obviously superior as a politician to the leader of the extreme Labour Party, Mr. Tudor.

But the most important element in his present prestige is his record at the Peace Conference. Australia suffers very much compared with the rest of the world in the means it possesses to follow the events in the world's centre. The cable service is most inefficient, and there is little attempt to secure continuous correspondence devoted

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to matters of international politics which is essential to supplement the scrappy and sensational cabled news. The result is that only very rough impressions as to the course of international affairs can be gathered in Australia.

At the present time the general public in Australia believes that Mr. Hughes, in order to protect the White Australia policy and to secure for Australia the islands in the Pacific which were the indispensable ramparts for her defence, had to fight the opposition or indifference of the British Government and European nations and the implacable hostility of President Wilson. This impression has been created by the way in which Mr. Hughes fought his case in Paris. But it does not accord with the facts or with opinion in Europe, and as truth will out even from a Peace Conference, the unsoundness of these claims may ultimately affect Mr. Hughes's position in Australia. It is not possible within the limits of this article to deal with the Australian interest in the Peace Treaty, and to analyse its effects on the future of Australia. Nor is it possible, with the information at present in the hands of the public, to definitely assess the credit due to the persons representing Australia for their record at the Congress.

Two principal matters were involved in which Australia played a leading part—the question of racial equality, and the disposal of the German islands in the Pacific. As to the latter, the policy of annexation advocated by Mr. Hughes would, if adopted, have had to be applied to the islands assigned to Japan as well as to those assigned to Australia: that would have implied the right to use them in full sovereignty, including the right to fortify. From this danger Australia was saved by the British and American foresight which secured the substitution of the mandate. The Japanese proposal for the express recognition of racial equality was met apparently by Mr. Hughes with an offer of compromise—he would accept the recognition of the principle coupled with an admission that it did not extend to a right of immigration. This compromise was not

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acceptable to Japan, and thereupon Mr. Hughes offered relentless opposition to the proposal as a menace to the White Australia ideal. The issue, in reality one in which several countries were concerned, came in appearance to be one between Australia and Japan. The courage which forced such a situation readily commands the admiration of Australia. But splendid isolation has its perils, which might have been avoided by more skill and experience in the ways of diplomacy. Actually, Japan secured a majority in the League of Nations Commission for her proposal, but President Wilson held that it could not go through in view of the powerful dissent from it. In the circumstances, Japan is not likely to accept the decision as final and will probably use the League as a means of reopening the matter.

Here we are brought to the new status of Australia, which is implied in the separate representation of the Dominions at the Conference and their membership of the League of Nations. The Prime Minister applauds this achievement of his diplomacy, and the nation accepts with satisfaction the place of honour which she regards as a testimony to the brave deeds of her sons. But it is not a fortunate conjunction of events that the time when Australia's political situation in relation to Japan has become more acute should be also the time which suggests an impairment of Imperial responsibility for Australia's security. What the separate representation of the Dominions in the Peace Congress and on the League of Nations really involves is a difficult problem to determine. Those responsible hardly seem to have worked out its implications. They do not appear to have realised that, while anomalies in the old Imperial system were practically harmless, ambiguity in a written constitution like the League of Nations may be full of peril. But whatever the result may be it is quite clear that the responsibility of Britain for the policy and security of the Dominions, which the small nations of the world would have regarded as a priceless boon, is less than it was, and the

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Dominions are now placed in that position of apparent independence which small nations of the world have found so dangerous during the war. These things, however, do not appeal to the public mind, which is at present in no mood for criticism.

The enthusiasm of the moment, however, has only half concealed the difficulties of Mr. Hughes. The chief of these is the lack of personal loyalty of the major half of the National Party—the old Liberal element—to him. In the absence of any party organisation or following of his own it is difficult to see what other course he can adopt than to retain the present National Party organisation. At the same time few men in the history of Australia have had a more wonderful opportunity than has Mr. Hughes at the present time. He could impose on any party to which he lent his name almost any terms, and he alone can command the support not only of thousands of party voters but of the great unattached voting strength which really decides elections in Australia.

Since he returned his speeches and his general attitude have been moderate. He has made two claims—that he has protected the White Australia policy, and that he has secured for Australia the islands which are the ramparts of Australia's security. He proceeds to denounce on the one hand the profiteer who is securing unfair advantages from the community by means of monopolies and combines, and, on the other hand, the Bolsheviks who are attempting to secure power for a minority by methods of force. So far he has not assumed to lay down any definite programme. He states that he does not know to which party he belongs, but he still retains the labour ideals which have dominated his whole political life. This absence of definition makes his speeches read thin from the political point of view. The antithesis between the profiteers and the Bolsheviks is somewhat cheap. The Bolshevik is not a live force in Australia at the present. He might become so if the problems of reconstruction are not properly handled and

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vested interests and monopolies reap the benefit. On the other hand, profiteering is a complex problem which can only be solved by constructive legislation, including the amendment of the Constitution. Continuous constructive effort is essential if the needs of the situation are to be met. Mr. Hughes's past career does not afford any indication of such capacity. He is only too likely to be lured into hostile relations with bitter enemies and expend the whole of his
✓ force and ability on provocation and vituperation. Nevertheless he is undoubtedly the most prominent personality in Australian politics at the present day. He is superior in brain and force to any other figure, and those who are sincerely desirous of forwarding the truest interest of the Commonwealth have a great responsibility to discharge in deciding whether to give or withhold support. The public are in the grip of the strong man theory. Mr. Hughes is acclaimed because he is expected to "do things." But strong men may lead in the wrong direction. Strong autocratic personalities frequently bar the way for the more modest and intelligent workers on whom the real work of politics depends. For the present, however, Mr. Hughes's authority is a *fait accompli*. He now wields the sceptre, and for the next year he will lead the country. Responsible persons will not impede the exercise of his power, but will see how his leadership can be turned to the greatest good of Australia.

Australia. September, 1919.

SOUTH AFRICA

THE loss which the Union has suffered through the death of General Botha is the subject of another article in this number. This sad and overshadowing event has cast a gloom over the South African scene, but the momentary lull in political controversy was of necessity broken when Parliament assembled for its special session, and it is desirable to give some record of recent political developments, which have an unusual interest for the whole British Commonwealth.

I. THE NATIONALIST DEPUTATION

THE deputation from the Nationalist Party, referred to in the South African article in the June number of *THE ROUND TABLE*, succeeded, after some vicissitudes, in making its way to Europe, and was received by Mr. Lloyd George in Paris on June 5. A few days afterwards an official statement was published containing a report of the proceedings at the interview, and the text of the Prime Minister's written reply to the case as presented by the delegates. It appears from these documents that the request put forward by General Hertzog and his colleagues was, as anticipated, for the restitution to the former South African Republic and the Orange Free State of the national status which they possessed before the South African war. The larger question of the independence of the Union of South Africa as a whole seems to have been raised in a

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tentative way, but was not seriously pressed—owing, no doubt, to the difficulty experienced by the deputation in making any plausible case for their claim to speak on behalf of the Union. The Prime Minister's reply to the deputation is a document of great importance, but at the time of publication few newspapers found room for the whole of it ; it is therefore printed here in full.

Reply of the Prime Minister to the Nationalist Deputation from South Africa.

I have read the statement of your case, which you have been good enough to send me, and have listened carefully to the representations which have just been made by General Hertzog. It would, of course, be easy for me to take the merely formal ground that, as the important point you raise intimately concerns the Union of South Africa, which is a self-governing Dominion, the British Government could only listen to such representations as you have made if they came from the Government of the Union. General Botha, however, specially requested me to meet your deputation and to lay before you the point of view of the British Government, and I am very glad to do so.

It is quite clear from your statement, as well as from the resolutions which you have submitted, that you do not claim to speak for the whole people of the Union, nor even for the whole people of the Transvaal and the Orange Free State, nor even for the whole of the Dutch-speaking people of those provinces. You represent the wishes of a party whose adherents are almost entirely drawn from the older Dutch-speaking population of South Africa, and whose policy, as a recent vote in the Union Parliament showed, is supported only by the representatives of the Nationalist Party. Further, as you informed me, the native population of South Africa is definitely against independence and wishes to remain within the British Empire.

You ask for the restitution of the national status of the Transvaal and Orange Free State as it was before the war of 1899 to 1902. You ask it, so I understand, not because of any interference with South African affairs by the Government, the Parliament, or the people of the United Kingdom. In reply to my question as to this point—and I was most anxious to be reassured upon it—you said that there was less interference than ever before. I am particularly glad to have your assurance that you have no complaint to make on this point, because it is a cardinal axiom of British policy to avoid any interference in the internal affairs of any self-governing portion of the Empire.

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I should also like to say this about your statement as to the intolerant attitude of South Africans of British origin and descent of their Dutch fellow-citizens. I have no immediate knowledge of South African conditions, but I think that British South Africans have accepted the settlements of 1906 and 1910 with wonderful loyalty. I think their point of view is also entitled to consideration, and it is surely a great testimony to their goodwill that for the last ten years a predominantly Dutch Government has been in power in South Africa, which has largely derived its power from the votes of British South Africans.

The case which you make for the restoration of the independence of the Transvaal and the Orange Free State is based purely upon South African considerations. I must say at once that I cannot see how it is possible for the British Government or the Imperial Parliament to re-open a great settlement which has been forged out in the heat and trials of the past twenty years, because of political issues which have arisen, not between South Africa and the United Kingdom, but between different sections of the South African people themselves. If the British Government were to intervene it would, in my judgment, constitute an interference with those rights which were once and for all conceded to South Africa when the Imperial Parliament ratified the Act of Union drawn up by a convention of the South African people and approved by the freely elected Parliaments of the four South African Colonies.

Further, will you allow me, as you have come to present your views to the British Government, to express very frankly my own opinion as to the wisdom of what you propose. I do not want to revive the memories of the past. My own attitude towards the Boer War and towards the Boer people is well known to you. When the Government of the late Sir Henry Campbell-Bannerman, of which I was a member, came into power, one of their first acts was to grant free constitutions to the Transvaal and the Orange Free State. As the outcome of those constitutions, governments, composed principally of the Dutch leaders in the Boer War, came into power. You say that some of the South African ministers have been weak men and too subject to outside influences. I can only say that every soldier I have consulted has told me that General Botha was one of the most formidable opponents against whom he has ever fought, and that Field-Marshal Lord French has publicly said that he never had against him a more skilful general than General Smuts. I can also confirm from my own experience the power and influence exerted by these two Dutchmen, both in the Councils of the Empire and in the Peace Conference itself. I am happy and proud to say that the great experiment we made has proved a success which has been the admiration of all who have watched it. The Boer people,

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loyally supported by South Africans of British origin, have completely justified the confidence and trust so fully put in them by the British Government and people. They fully and unreservedly accepted the new institutions granted to them ; they proceeded on the new basis to build up a new country in co-operation with their British fellow-citizens, and the memories of old wrongs and sufferings were swallowed up in the new, larger and more generous South African spirit. So far as my memory serves me, no claim or demand for the restoration of the old independence was made by the predominantly Boer governments and Boer Parliaments which came into power under the new self-governing constitutions. Instead of raising any claim which would serve to divide once more the people of South Africa and reopen the ancient quarrel, they took the other alternative and, on a basis of full discussion, free agreement, and unfettered consent, entered into a lasting and indissoluble union with the rest of British South Africa. The constitution of the new Union was the free act of the whole people of South Africa representing both white races and all the Colonies. Each made sacrifices ; each incurred risks for the great common ideal ; each surrendered its local independence and separate institutions in trust, in complete good faith, in the others. Do you think that the other colonies or that either race would have been prepared to make this great surrender if they thought that the union was only temporary, only a passing arrangement of convenience and not an indissoluble marriage for ever ?

The view of the British Government is that the Union of South Africa rests on a grand pact, a fundamental understanding and agreement between the British and Dutch elements of the people of South Africa, in which both made sacrifices and surrenders for the attainment of a great common ideal, and that it cannot be dissolved by the one-sided action of either element without the consent of the other. At the most solemn moment in its history the people of South Africa exercised a free, deliberate, final choice ; it expressed that choice in a free constitution of its own creation ; not only the Imperial Government, but also the Imperial Parliament blessed and ratified that constitution. The proclaimed principle of self-determination to which you refer has been given effect to by the people of South Africa in the fullest, freest, most solemn and deliberate manner. We could not agree to any action which means the disruption of the Union.

To do otherwise would ruin South Africa. The restitution of the national status of the old republics would not only mean the break-up of the Union, it would also mean the break-up of the constituent parts of South Africa. For assuming, merely for the sake of argument, that it is the wish of the Dutch-speaking people of the Transvaal to break away from the Union and to be restored to their pre-

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war republican status, are the equally numerous British-speaking people of that province not entitled to any choice in regard to their status ? And suppose they desire to remain in the Union, or to separate from the restored republic, shall we have to proceed to the partition of the Transvaal ? And if the predominantly native parts of South Africa exercise a choice in favour of separation from the Union, shall we have to cut off native territories from the Union and its provinces ? These questions need only be asked in order to make it clear how dangerous and, in fact, impossible it would be to recognise a mere sectional choice or determination exercised by any part of the people of South Africa without reference to the will of the whole.

Finally, I would point to the status which South Africa now occupies in the world. It is surely no mean one. As one of the Dominions of the British Commonwealth, the South African people control their own national destiny in the fullest sense. In regard to the common Imperial concerns, they participate in the deliberations which determine Imperial policy on a basis of complete equality. In the greatest conference in history South Africa is represented by two statesmen of indubitably Dutch origin, who have won for South Africa an extraordinary influence in the affairs of the world. It is futile to believe that South Africa can ever return to that isolation which was possible a century ago. The world has become too knit together ; the action of one part impinges too directly and too rapidly on the fortunes of every other part for any nation to keep outside the great common current of human affairs. The formation of the League of Nations is the recognition of this inexorable fact ; and in the future League of Nations South Africa will have the same membership and status, and far more influence, than any of the other states which are outside the ranks of the few Great Powers. It may be that the significance of these facts has not yet been fully realised by all the South African people, but they seem to me to be a complete answer to the aspiration for independence which you voiced on behalf of one section of the people. Speaking to you, not only as a British Prime Minister, but as a tried friend and well-wisher of the Dutch people, and as myself a member of one of the small nations of the British Empire, I would advise your people with all the earnestness at my command not to endeavour to undo the past, but to look forward confidently to the great future which lies before a united South Africa, and to persevere on that road which Providence has marked out for our common line of progress.

When Parliament met in September to consider the ratification of the Peace Treaty, and to pass a Bill enabling the Union to accept and carry out the mandate for South-

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West Africa, this reply to the Nationalist Deputation was accepted by Mr. F. W. Beyers, on behalf of the Nationalist Party, as finally disposing of the question of the independent secession of the Free State and the Transvaal. There was some doubt at the time as to how far this declaration had the authority of his leader : but the following extract from a speech subsequently made by General Hertzog, at the Paarl, may be accepted as showing that he also regards this question as finally closed :—

We went in the first place to Europe, as you know, to obtain restitution for the two ex-republics, the Orange Free State and the Transvaal. As an old Free Stater, who took part in this mission with earnestness, zeal and feelings of affection, I never expected that we might succeed, but the hope was there that we might be successful. We have received no assurance that restitution will be made to the old Orange Free State and Transvaal. Disappointed I can hardly say I am, but I regret it. But is that any reason for us to become shaky in our belief in the freedom of the people of South Africa ? We must bow to it as an Orange Free State or Transvaal, but that does not say that we give up the right to redress the wrongs done in 1902. It is my duty not to do so, and so as the Orange Free State and the Transvaal we may one day obtain our rights, and then, I hope, together with the rest of South Africa. I stand here now, not as a Free Stater, but as a citizen of the Union.

II. SOUTH AFRICA AND THE PEACE TREATY

GENERAL BOTHA'S death occurred on the 28th August. A special session of Parliament had been summoned for the 5th September. General Smuts was recognised by public opinion as the only possible successor to General Botha. At Lord Buxton's invitation he accepted office as Prime Minister, and all General Botha's other colleagues remained in office as members of the new Cabinet. On the 8th September it fell to the lot of General Smuts to move in the House of Assembly the resolution for an address to His Majesty, praying for ratification of the Peace Treaty on behalf of the Union. In doing so, General Smuts laid great emphasis on the new status which South Africa, in common with the other Dominions, had acquired

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as a result of the part played by Dominion representatives in the Peace Conference, and on the position assigned to the Dominions in the League of Nations. He drew attention especially to the form of the Peace Treaty as indicating the new condition of things :—

I wish for a moment to direct attention to the form of this document, which, so far as the British Dominions are concerned, is one of its most important aspects. I remember when the report of our National Convention was made I made the statement that the most important thing about that document was the list of signatures at the end of it. And it is very much the same in regard to the Peace Treaty. For the first time in history the British Dominions signed a great international instrument, not only along with the other Ministers of the King, but with the other ministers of the great Powers of the world, and although the tremendous importance of this great act has not yet been fully recognised, there is no doubt that this Treaty, signed as it has been with parties to it not only representative of the King in the British Isles, but in the Dominions, forms one of the most important landmarks in the history of the British Empire.

The Dominions did not fight for status. They went to war from a sense of duty, from their common interests with the rest of the world, vindicating the great principles of free human government. Not only has victory been achieved for the objects for which they fought, but, what for the British Dominions is equally precious, they have achieved international recognition of their status among the nations of the world.

It took some time for the position to be realised at Paris, because so many of the powers were under the same impression which, according to the debate in the House this afternoon, appeared to exist in South Africa, viz., that everything seemed to be under the tutelage of the British Parliament and Government. They could not realise the new situation arising, and that the British Empire, instead of being one central Government, consisted of a league of free states, free, equal, and working together for the great ideals of human government. It was difficult to make people realise this, but afterwards they fully applauded, and their approval was given as embodied in this international document. No doubt new forms would have to be made. No one recognised this more strongly than the British Government itself, but whatever the forms, there was no doubt whatever about the substance of the new status of the Dominions.

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With regard to the admissions of the Dominions to membership of the League of Nations, General Smuts laid stress on the further evidence thus afforded that their national status was now fully recognised, but denied that there was any foundation for the fears which had been expressed that membership of the League might prove inconsistent with membership of the Empire, which was "an inner league."

The Dominions felt very strongly that if there was to be a League of Nations on which the nations were to be equally represented, then that League should include the British Dominions. We were determined to see that that recognition was given to us, but we were equally anxious to see that nothing was done which would loosen the ties which bind together the British Empire. We kept both these things clearly before our eyes. Still, we wanted our equality with the rest of the world recognised. We also wanted to remain in the British League of Nations, which has worked with such enormous success in the past, and has worked together in this war, probably becoming the real organiser of victory for all the Allies and the rest of the world. Fears have been expressed in certain quarters, and fears had been given expression to in South Africa, that the ultimate tendency of the League of Nations would be to break up the British Empire, but that is an entirely misleading idea. On the contrary, I can imagine great dominions arising which may be as important as Great Britain in the world, and if that notion had been dropped there would have been a danger of the breaking up of the British Empire. We have secured an inner league, and the world has agreed to it. The question of inter-Imperial preference was discussed, and it was agreed that we were an inner league, and as such our position was entirely justified. I am sure the day will come when people will recognise that the League of Nations is one of the most important landmarks in the history of the British Empire.

In answer to objections of another character, that the Union by its membership of the League would become dangerously involved in external troubles, he frankly admitted that the new status involved new responsibilities.

There have been other misgivings, too, in regard to our entrance into the League of Nations. There has been the misgiving that we are being drawn in this far-away part of the world into the great

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vortex of European politics—there is the misgiving that in the League of Nations we shall be drawn into resolutions and decisions that might be affecting other parts of the world. To some extent it must be frankly admitted that, of course, our new status must bring responsibilities; but that is inevitable—that has been the growth of the world. You cannot ask for recognition and admission among the nations of the world and still think that you can sit on your ant-heap in South Africa and jeer at the rest of the world.

Recognition as a free and equal state with the rest of the world does impose not only a new status, but responsibilities, and we shall be willing, I hope, to bear our responsibilities under the League of Nations just as willingly and whole-heartedly as we have borne our responsibilities in that smaller League, the British Empire.

In a further passage General Smuts dwelt on the value to the Union of its membership of the Empire, and again asserted its position of equality within the Empire:—

To-day we are part of the British League. We are part of the British Empire, part of the greatest and most powerful empire in the world. We have not only the protection of that Empire, but we also have the protection of other most powerful influences. We have the financial position, we have the advantages of a great and rich traffic, and we have other great advantages at our disposal. In addition to that, we have received a position of absolute equality and freedom, not only among the other States of the Empire, but among the other nations of the world.

The Nationalist leaders refused to admit General Smuts's claim that the result of the work which, with General Botha, he had done at the Peace Conference was to secure a new international status for South Africa; but, while abandoning their claim for the restoration of the independence of the old republics, they renewed their claim for the independence of the Union as a whole. Mr. Beyers announced that they would continue to ask and argue for the right of self-determination in this sense, and in reference to the assertion that South Africa's position, as recognised by the peoples of the world, and especially under the League of Nations, was one of absolute freedom and equality with other nations, General Smuts was challenged both by General Hertzog and Mr. Beyers to say whether South

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Africa had any right, if it so chose, to secede from the Empire. To this point General Smuts's reply was given on two separate occasions, and was in effect twofold. On the first occasion, in the debate on ratification of the Treaty, he quoted Mr. Lloyd George's statement that the Union of South Africa rested on a great pact, which could not be disturbed by the one-sided decision of one party to the pact. On the second occasion, in concluding the debate on the second reading of the Bill enabling the Union to accept the mandate for South-West Africa, he dealt with the point more directly from the legal and constitutional point of view, and asserted that South Africa had under its constitution no right of secession. An interesting dialogue, which riveted the attention of the House, took place between the two protagonists:—

General Smuts: A number of questions had been put to him by certain Nationalist members, and although he was no schoolboy, and not accustomed to be catechised, he would reply to the questions, especially if there was an intention to break up the Union by seceding from the Empire.

The first question was:—

Has South Africa the right to secede from the Empire?

General Hertzog: "Yes" or "No."

General Smuts: I shall reply to that, I think it is my duty to reply to that, and my reply is absolutely and decisively "No." Our Constitution is laid down in writing, and our Constitution in clause 19 says the legislative power of the Union consists of Parliament of the Union, composed of the King, the Assembly, and the Senate. It is impossible and unconstitutional for either of these parts to secede from the other. The Assembly cannot secede from the King.

General Hertzog: Can it renounce the King?

General Smuts: No. This is not a question of status; it is a question of constitution. In terms of the Constitution the King cannot give up the Assembly.

General Hertzog: At the request of the people?

General Smuts: No, he cannot. Of course, by means of revolution you can do that sort of thing, but you cannot do so by constitutional means. Coming to the second question, whether the right of veto still existed and whether the King could veto a law for the secession of the Union from the Empire, there was, he said, no doubt

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as to that question. On an ordinary law there was no such thing in reality as veto, but on a question like that it was not only the King's right, but, according to the Constitution, it was his duty to keep himself in force and connected with the Union. Where ordinary laws were concerned, the right of veto was, of course, obsolete.

In the speech in which he thus replied to the Nationalist challenge, General Smuts had in his turn challenged General Hertzog as to whether he confirmed Mr. Beyers's statement that it was the policy of the Nationalist Party to work for the secession of the whole Union :—" He would ask General Hertzog whether that statement was correct ; whether it was the decided policy of the Party to work for the secession of the Union from the Empire. He thought the House and the country were entitled to a reply." General Hertzog replied that " his party was a democratic party, which would be bound by what was decided by Congress, but so far Congress had not decided on that matter." This hesitating reply caused some consternation in the ranks of the Nationalist Party, whose members during the debate had been freely asserting South Africa's claim to independence. General Smuts charged General Hertzog with evasion of the fundamental issue. Either the matter was a serious one or it was a farce : " we want to know where we stand ; we want to know whether you are in earnest or whether this is merely a farce which is being executed for the sake of gaining votes." On the following day, General Hertzog supplemented the reply he had given in Parliament in the speech made at the Paarl, from which a quotation has already been given : he referred to his answer to General Smuts, and said that the question which the people had to decide was whether or not they were now actively to follow the line of claiming independence. There was no doubt as to the ideal.

If our party should decide that the time has not yet come for us actively, as a principle, to place this in the forefront, I am just as much as ever with my party and people, and will work as hard as

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my party ; but whatever we do, one thing I say, they cannot take this away from you or from me, viz., that absolute freedom and secession, as a people, is an ideal to us, and shall remain our ideal.

In discussing the merits of the Treaty, the Nationalist members protested vehemently against the cruelty of the conditions imposed on Germany. "The Treaty was one of the most cruel documents that had ever seen the light of day." One member even asserted "that he would be degrading himself to something lower than a beast if he were to vote for a treaty of such immense cruelty as the one before the House." They further contended that there was no reason why the Union Parliament should be asked to ratify the treaty, and that the resolution which they were invited to pass was unnecessary and superfluous.

General Smuts, on the question of the terms imposed on Germany, took up the same attitude as that adopted in his statement issued immediately after the signature of the Treaty in Paris. He admitted that the chapters dealing with penalties and reparation were open to criticism. He said that General Botha was very much disturbed over the provisions with regard to penalties on individuals. "I think it is due to his memory that I should say that, so far from endorsing the policy embodied in this chapter, his whole effort was directed rather to a different end : to the end that a small number of the most prominent war criminals should be selected for summary judgment, but that there should not be this indiscriminate hanging of the sword over Germany." The League of Nations, however, "was the one guiding star for the future." He did not ask the House to approve the Peace Treaty ; there were many parts in that Treaty with which he did not agree. He had come to the House to ask that that Treaty should be ratified.

As to the necessity of a resolution in favour of ratification by the Union Parliament, he was emphatic in asserting that such a resolution was essential. "The Union Parliament had nothing to do with the fact that the Treaty had been

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ratified by the British Parliament. The Union Parliament stood on exactly the same basis as the British House of Commons, which had no legislative power over the Union. . . . If a farce was being enacted in this House of Parliament, then the same farce was being enacted in the British Houses of Parliament and in the Houses of the various Dominions." The resolution in favour of ratification was passed in the Assembly by 84 votes to 19, and in the Senate by 30 votes to 5. In each case the minority consisted solely of Nationalists.

III. POSITION OF PARTIES

THE five years' life of the present House of Assembly ends in November, 1920, but a dissolution is expected early in the year, and the General Election may take place in February or March.

It will be remembered that General Botha's Government has since the 1915 election depended on the joint support of the South African Party and the Unionists, although there has been no coalition and the Unionists have not been represented in the Cabinet. It is obvious that such an arrangement cannot continue now that the war emergency has passed. It is possible that General Smuts may enter into a closer combination with the Unionist Party, but it is also possible that he may rely on attracting to the banner of the South African Party additional support sufficient to give him an independent majority of his own. The debates of the special session, and the platform speeches which have followed, must be read in the light of this situation and with reference to the possibilities of the coming election.

General Smuts has taken special pains to make clear that the place secured for South Africa among the nations of the world, as a result of the policy pursued by himself and General Botha, is such as to satisfy the highest national

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aspirations, and that extremists of the Nationalist Party in pressing their claim for secession are following a policy which can only be accomplished by revolution. It is natural that by emphasising these two considerations he should attempt to detach from General Hertzog the more moderate of his followers, who are mostly to be found in the Cape province. His Nationalist opponents seek to portray General Smuts as a "fiery Imperialist" who allows South African interests and liberties to be recklessly sacrificed at the bidding of Great Britain. He answers these attacks not only by pointing to the result of the Peace Conference and to the "position of absolute freedom and equality" which South Africa now enjoys, but also by describing the part which he played in London, at the time of the 1917 Imperial Conference, in preventing the adoption of any scheme of Imperial federation which would involve interference with the liberties of South Africa and the other Dominions by a new Imperial Parliament. The following passage on this subject from a speech delivered at Victoria West deserves quotation :—

I have given a great deal of thought to this question of South Africa taking its right place in the Empire, and when I went to England I found that there was a totally wrong movement afoot, a movement to establish an Imperial Federation. An organisation was aimed at by which there would be one great Parliament for the whole British Empire. South Africa would send its members there as well, and that Parliament would represent all parts of the British Empire. I felt convinced that this was an impossible system, and you have seen that in England I most strongly protested against that system. You have seen that I made it perfectly clear to the English people that the system was absolutely impossible, and that the only basis on which the British Empire would exist in the future was one of absolute liberty to all its different parts. It was clear to me—and I made it clear—that the British Empire could not continue on the old basis of a great England with the English Government and a number of subject ("onderhorige") governments. The time had passed for that sort of thing. A child grows up and comes of age and must get his liberty. Then I made it clear that the system of an Imperial Federation would make the position in the Empire quite impossible. It could not apply to

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South Africa or to the other Dominions, and I said that what we aimed at was liberty, the absolute liberty, and the only basis on which the Empire could continue was one of liberty and equality of all parts. The view which I preached in 1917 has become the general view in England.

I was very much amused at the end of 1917, when a great statesman arrived from Australia in London. He was one of the Prime Ministers of one of the Australian States. One day he came to see me, and he told me that he had seen in the English Press and from speeches by English statesmen that there was a movement on foot for an Imperial Federation, and that he had come to London to protest against it and to convert the English people, but he said that he had come prepared with a whole budget of speeches to preach against such a Federation. He went on that he had consulted one of his friends who was a great journalist in London as to how to start his campaign, and his friend replied, "You can put your speeches in your pocket, it is no longer necessary to deliver them, because Smuts has come here and has killed the whole thing." Largely as a result of my attitude in England, that view of Empire with an Imperial Federation has been given up, and the view and conclusion to which the people and the Government in England have come is that the only course for the Empire is not to come more closely together, and not to have one Imperial Parliament for the whole of the Empire, but to give the greatest liberty and equality to all parts. It was felt that it was impossible to tie all the Dominions in a sort of federation. I have shown the impossibility of that.

But while some of General Smuts's speeches seem to be specially directed to allaying the suspicions of moderate Nationalists and winning back Dutch voters who have strayed into the Nationalist fold, he has not limited himself to sectional appeals. On September 17, at the close of the special session of Parliament, he made an earnest appeal to the whole country for national unity. "Peace," he said, "marks a great moment in our history; it is time to make a new beginning in a greater, wider, more solemn South African spirit." The breach in the ranks of the old population must be healed, and there must be whole-hearted co-operation between the old and the new populations. He urged that the time had come for a new start on the basis of "three fundamental positions":—

First, agreement to abide by the British connection.

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Second, the principle of frank, honest, whole-hearted co-operation between the white races.

Third, the necessity of industrial development.

In order to do justice to General Smuts's attitude, it is necessary to quote the actual terms of this appeal :—

After the bitter experience we have gone through, after we have tasted the bitter fruit of our past divisions, and especially after the decisive clearing-up on the great stage of history, it is the imperative duty which is laid on all of us to reconsider and revise the whole political situation in South Africa.

I would ask for the recognition of three fundamental positions. In the first place, I ask that we agree to abide by the British connection, and that we agree not to question it any longer. No one knows what the far distant future may produce in this part of the world, or for any other ; but for our day and generation we consider it in the interest of South Africa, and in the interest of the better understanding and co-operation between its white peoples, that that issue be not raised in any shape or form. The British League of Nations, to which we already belong, and the new world system, to which we shall soon belong, give us ample scope as a free nation. In our day and generation, when we shall be occupied with other gigantic tasks, let that be enough for us.

In the second place, I would ask that we should also accept as fundamental the principle of frank, honest, whole-hearted co-operation between the white races. I for one could never again be a party to any policy which divides South Africa or tends to divide it on racial lines. The co-operation of the past ten years since Union I desire to strengthen and develop. Our policies should in future more and more be based on interests, and not on racial distinctions. Our primary object should be to develop a powerful sentiment of distinct South African nationhood as the bond holding our white people together. The growth of this great national sentiment and this bond of union is what is above all required to ensure the future stable development of South Africa as a free nation. And our public policy should be honestly and frankly based on that bedrock foundation. I do solemnly believe that there is a deep desire among both Dutch and English peoples in this country to come together and work together for the future of this country. I feel that our politics should give expression to that strong feeling among our people.

And lastly, I would ask us to recognise that the great task before us is no longer racial, but has become industrial. The great world war has resulted in conditions which give us a unique opportunity to develop this country and to push ahead with a forward industry

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and development policy. Let us honour and preserve our sacred national traditions, but let us also go beyond that, and let us join in the great work of the world.

There is no reason now why in this generation South Africa should not become a really great and powerful country, worthy of our standing in the world. Let us no longer ask racial questions in our politics, but let us simply ask how best to push ahead with the development of our internal resources, which are in most respects unique, and with the consolidation of a great and powerful South Africa as the home of a great white race.

I would ask this House and the country to ponder whether on the basis of these three propositions it is not possible for all political parties and all reasonable citizens, irrespective of any party, to co-operate in the immediate future. We have grave problems ahead of us, which can only be properly solved by such full-hearted co-operation of the people of this country.

The great task of our Union—of the national unity of South Africa—is not yet completed. Can we all join hands for its accomplishment? Can we recreate the great spirit of 1909, which laid the foundation of a united South Africa? I think it is possible. I think the return of this great spirit is what South Africa above all needs to-day at this great moment in her history. And I ask the House, and I ask the country, whether it is not possible to make a new start on this basis for the great future before us.

This appeal was welcomed at the time when it was made by Sir Thomas Smartt, on behalf of the Unionist Party, and by Mr. Creswell, leader of the Labour Party. Mr. Creswell, however, made it clear that he did not regard the appeal as opening the way to a coalition of the Labour Party with any other party. "Whilst they must co-operate they must recognise that to arrive at the best thing for the country, they must have an honest conflict of opinion as to what was for the best." General Hertzog, in a speech made a few days later at Capetown, dealt with the question of how far the Nationalists could accede to General Smuts's conditions. He said that the Nationalists agreed with the Prime Minister with regard to racial co-operation and industrial development. With regard to the British connection :—

General Smuts's demand meant that if the Nationalists were to co-operate with General Smuts they must give up the ideal which

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had become so precious to them all, and which nearly every Afrikaner cherished in the recesses of his heart. His demand amounted to shutting for ever the door to the realisation of a truly free South Africa. That was the price General Smuts proposed for the privilege of working with the Government, and on that he came to the demand that the question of the British connection should never be raised again.

He was not now discussing the desirability or otherwise of severing the British connection. The only question was whether or not they possessed the right to secede. General Smuts demanded the forswearing of that right before co-operation. Surely he did not expect that General Hertzog, or anyone else thoroughly convinced of the existence of that right, would give it up. It could not be done. How could they be honest if they went against their feelings? If General Smuts had confined himself to the practical question, that the question of secession should not be pressed in the immediate future, it would have been quite another matter. That would have been a reasonable request, the advisability of which might have been discussed by the Afrikaner people, in view of the interests of South Africa. But as he had not put that question, no answer could be given. He refrained from answering, leaving it to the different congresses of the Nationalist Party to say what should be done or not done with regard to that question.

A further declaration was made at the Free State National Congress, held at Bloemfontein, on October 16. At this meeting General Hertzog said the Union was faced with the alternative of becoming independent or declining practically to the status of a Crown Colony. "The time was not yet ripe for active steps to achieve the country's independence, but they had the right to work until they could say, 'The time has now arrived.'" He further declared that he "regarded the Union's constitution as nothing but 'a scrap of paper,' stating, for the time being, how the people in South Africa wished to be governed; but as soon as the nation's will changed, then it was for their Government, Parliament, and King to alter the scrap of paper accordingly."

The Unionist Party held a Congress at Bloemfontein on October 21. At this Congress, Sir Thomas Smartt, referring to General Hertzog's description of the Act of Union as "a scrap of paper," recalled the explicit promises of good faith given by General Hertzog and the other

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Nationalist members at the National Convention. He also reminded his hearers that Sir Starr Jameson had asked for a "best man" Government at the outset of the Union. "There was now another opportunity, and General Smuts was the only man who could take it." He stated that, personally, he was ready to discuss a fair amalgamation on the basis that the party's principles should not be lost. Before adjourning, the Unionist Congress adopted unanimously a motion "whole-heartedly welcoming and accepting the principles which General Smuts laid down in his speech on September 17, and particularly adopting the fundamental principles of frank, honest, and whole-hearted co-operation between the white races, of mutual respect for each other's traditions and ideals, and of national unity and patriotism based on the strong spirit of a South African nation." The motion further condemned any propaganda aiming at the subversion of the Union's constitution, and recorded the conviction that the continuance of such propaganda must eventually lead to bloodshed.

The latest indication of General Smuts's attitude is given in some remarks made with reference to these proceedings at the Unionist Congress, in a speech which he delivered at a South African Party Congress held at Pretoria on October 30:—

He was thankful that the Unionists were becoming increasingly imbued with the South African spirit, but Sir Thomas Smartt was afraid of absorption. It was not the intention of the South African Party to absorb. Their object was hearty co-operation. He appealed to the whole population to support the policy of the Government and to devote themselves to the great tasks of peace, agriculture, and mineral industries. It was most difficult to ask people to leave their party, and he did not do so, but the Unionists and the Nationalists should support the Government in making South Africa a really great country.

These quotations show that the relations between the different parties in South Africa are still in doubt, and it would be premature to prophesy how forces will range themselves in the coming election.

NEW ZEALAND

I. THE POLITICAL SITUATION

THE Prime Minister (Mr. Massey) and Sir Joseph Ward returned to the Dominion from the Peace Conference during the first week in August. Parliament was summoned for August 28.

The National or Coalition Cabinet which was formed on August 6, 1915, came to an end on August 21, 1919, when Sir Joseph Ward and his colleagues of the Liberal Party withdrew from the Ministry. The circumstances in which the National Cabinet was formed have been described in earlier numbers of *THE ROUND TABLE*. There were three views held as to the need for the creation of the National Cabinet and the consequences likely to follow from it. First, those politicians most deeply imbued with party traditions acquiesced in the proposal with marked reluctance under public pressure and in view of the balanced state of parties. They held that their own party would be injured by any blunders that the Ministry might commit irrespective of which individual members of the Ministry might be the culprits and, *vice versa*, that any successes accomplished by their own representatives in the Ministry would redound to the credit of the Ministry as a whole and thus benefit their opponents. In other words, they objected to the pooling of the virtues and vices of both sides, naturally believing that with their own side the virtues preponderated. This group of members was not a large one, but they still believe that results have justified their view, and that the

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war measures would have been carried on just as efficiently under ordinary party rules.

Secondly, the great majority of the politicians realised that the public would not tolerate party warfare while the existence of the Empire was at stake. They realised that, owing to the almost equally divided strength of the two dominant parties, the existing administration could not hope to carry on its war activities successfully without the co-operation of its opponents. They believed, therefore, in the creation of a National Government for war purposes only. In this view they were supported very strongly by the Press and the public.

Thirdly, a small group of politicians on both sides of the House not only believed in the creation of a National Government for war purposes, but they further believed that the differences between the Reform Party and the Liberal Party were so slight and unsubstantial that, once the two parties had learnt to work together, they would find they had so much in common that it would be impossible in future to justify a separation. They contended that the differences between the two parties were largely historical and subsisted merely on the personal ambition of the leaders. It has been seen that the immediate hopes of this third group of politicians have not been realised. The ending of the National Government puts the two main parties—the Reform party and the Liberal party—again at arm's length for the time being. But it is safe to say that sooner or later the course of events in New Zealand will repeat what has happened elsewhere, and a more natural division of parties will be brought about.

The fact that the Coalition would be brought to an end had been known for some time because, while the leaders were still in Paris, a meeting of the Liberal party in New Zealand, held on May 22, with the knowledge and approval of their leader, had decided in this direction. Moreover, an offer made at the end of the 1918 Session by the Reform party to carry on with a Coalition of "the

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more responsible elements in Parliament" during the period of reconstruction had met with no response; but the time and manner of ending the Coalition came as a great surprise not only to the public and the Press, but even apparently to the Prime Minister and to some of Sir Joseph Ward's colleagues. In the opinion of the Prime Minister, the dissolution should have taken place either immediately after the return of Sir Joseph Ward and himself to New Zealand, or else after the business of the Session had been gone through. In a lengthy statement published on August 22 simultaneously with the announcement of his resignation, Sir Joseph Ward declared

that the continuance of an administration, having naturally no real cohesion on any fixed principle save the winning of the war, was not in the best interests of the country.

He admitted that there were difficult matters still to be dealt with, and that the aftermath of war called for a strong Government to resist the extremists opposed to constitutional means of government. He declared that he had no personal ambitions, but was actuated by what he regarded as the best interests of the country. To this statement he appended a very large political programme in which he advocated a State bank, the nationalisation of the coal mines and flour mills, State-owned colliers, a large programme of railway and road construction and other public works involving in the aggregate the expenditure of about twenty-five millions within four years—an enormous sum for New Zealand. His only direct reference to Imperial questions was under the heading "Unity of Empire," in which he said :

It is impossible to overestimate the value of the services which the Motherland has throughout our existence rendered to this country, and we should do all that is possible to promote the unity of Empire in Council and Defence, and the development of the Empire's resources and improvement in social and industrial conditions.

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On the question of Naval policy Sir Joseph Ward considered that it would be a great mistake for this country to undertake the burden of anything in the shape of a local Navy, but he was prepared to support a suitable scheme for our protection in the Pacific. Before deciding on any definite policy we would have the report of Admiral Jellicoe.

The judgment of the Press on Sir Joseph Ward's action was coloured largely by old party considerations—the Liberal Press in the main endorsed his action and welcomed his policy—the Reform Press deplored his action and the revival of party warfare while grave problems of reconstruction still remained to be solved. Prominent Labour men throughout the country pointed out that all his proposals for nationalisation were taken from the Labour programme, but in their view other items in his programme were deeply tinged with commercialism, and showed too much regard for the moneyed interests.

II. INDUSTRIAL PROBLEMS

AS in other countries, so in New Zealand, the chief feature of the economic and industrial world is the serious shortage of many commodities. In particular, the successive phases of the coal problem as they have occurred in England have repeated themselves with curious fidelity in New Zealand.

The problem of our coal supply has been increasingly acute for many months past. On June 25 a very exhaustive report on the Coal Industry, which had been prepared by the Board of Trade as the result of investigations extending over many months, was published. With the Board of Trade was associated Dr. Hight, Professor of Economics at Canterbury College; and many of the valuable graphs and highly technical calculations produced in the report are probably the result of his work. The most important findings of the Board may be briefly summarised.

In the opinion of the Board there was no evidence of

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exploitation, and they could not find that any undue remuneration was received either by the mine owners or miners or the distributors of coal. On the contrary, they found that the mining companies were getting considerably less than a fair return on their invested capital. They concluded that the price of coal could have been raised much higher than it actually was during the last two winters in view of the competition for the diminished supplies but for the influence of public opinion and the action of the local coal committees set up by the Ministry of Munitions and Supplies. The Board brought in a large number of recommendations with a view to remedying the decreasing supplies and lowering the price of coal. In their opinion the remedy should not take the form of State purchase and direct management of the mines on the ground that this would not foster the highest degree of enterprise or efficiency. They therefore urged the immediate institution of a Dominion Coal Board, to consist of representatives of : (1) existing coal mining companies ; (2) employees of those companies ; and (3) the Crown ; and it was suggested that the Board should comprise five members at most, the companies to appoint two members, the coal workers two, and the Crown one, who should be President. The Board should be empowered to take over the existing coal companies with their assets and liabilities at a valuation, and to issue stock to the existing shareholders in exchange for the shares held by them at the average market value of such shares for the period of the three years immediately preceding such exchange. These proposals together with other remedies were worked out in great detail, but it is unnecessary to elaborate them here. Particular emphasis was laid on the necessity for providing suitable housing accommodation at the mine fields.

On the question of the cost of living the Board found that from 1913 to September, 1918, the average increase had been about 35 per cent. at the most. Against this they found that in the case of many of the underground

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workers the additional earnings have fully compensated for the rise in the cost of living, but in the case of surface men on pay wages such increases did not fully compensate.

The finding of the Board that there has been no exploitation during the war came as a great surprise to the public, but it was impossible to ignore the elaborate details and statistics constituting evidence on which the Board made its finding. Naturally this report met with little acceptance from the Miners' Federation, who almost immediately afterwards formulated fresh demands for increases in pay and improved working conditions in the mines. The most important of the demands were for the abolition of the contract system and the reduction of the working day to seven hours bank to bank immediately, and to six hours bank to bank from January 1, 1921. These demands were emphatically refused by the mine owners, and a most important conference was opened on August 1 with a view to seeing if any agreement could be come to. The men claimed that the reason for the shortage of coal was the bad conditions in the different mines. Numbers of men were leaving the mines to go to other work, and this was claimed as evidence that something was radically wrong in the mines. In lieu of the contract system the miners urged a regular wage of £1 a day irrespective of output. The owners claimed that the abolition of the contract system would mean a reduction in output of at least 30 per cent., and that under such a system it would be impossible to supervise properly the work of the men scattered in pairs throughout the mine. (Their conclusions showed that if the demands of the miners were granted the extra cost of coal per ton would be 14s. 10d. on the 1918 output, and that on a six-hours' basis the increase would be 21s. 9d. per ton.)

The mine owners naturally relied largely on the elaborate finding of the Board of Trade above referred to, and the fact that the manager of the State coal mines resisted the miners' claims proved a valuable factor in helping the mine owners. The Minister of Mines himself appeared at the

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Conference, and stated that the effect of granting the demands of the miners would be disastrous to the country. He pointed out that the position was greatly accentuated by the strike then in progress in Australia, which had cut off supplies from that source. A deadlock was reached. Some days later a large deputation from the National Alliance of Labour waited upon the Prime Minister and members of the Cabinet and reiterated the claims of the miners. In due course the reply of the Cabinet was announced, in which the findings of the Board of Trade and Professor Hight were again relied on as demonstrating that an increase in the cost of production could not fairly be borne by the mine owners. It is interesting to note that the Government denied that working conditions in the State mines were any better than the average conditions in private mines—moreover, from the point of view of prices to consumers, for all except coal supplied for household purposes, “the cost is the same for coal of the same quality whether produced in the State coal mines or in private mines,” and in so far as household coal was cheaper the State made a loss.

The Government have since stated that all they can do is to offer a chairman to preside over another conference if the mine owners will again consent to meet the men. Early in September reports began to come in from the mines throughout New Zealand that a large drop in the output, estimated to represent 7,000 tons a week, was already evident, and it was alleged that the “go-slow” policy had been expressly adopted by the miners. If this is true the industrial outlook is likely to become more and more serious unless the Government can secure increased supplies from overseas. The seamen’s strike in Australia, after dragging on for months, has just been concluded, and coal shipments are beginning to come in freely. The Government are also buying shipments of coal at a high price from America, but it is difficult to say what the outcome will be if the New Zealand output continues to drop.

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While the local output of coal had diminished from 2,275,614 tons in 1914, to 2,034,250 tons in 1918, owing to the shortage of miners, the influenza epidemic, and other causes, the position was aggravated by the cutting off of overseas supplies through the disastrous strike of the Australian seamen in August of this year. 'The railways' supply of coal ran so short that at the end of June it became necessary to curtail very severely the train services. All express trains were cut out, and the journey from Wellington to Auckland, which formerly occupied a day and a night, now takes three days. The journey from Christchurch to Dunedin, which formerly took about nine hours, now takes two days. There was a great public outcry over this curtailment, as many industries had to close down for lack of supplies, and only the most essential goods were carried. In August it became necessary to restrict the service still further, and the passenger traffic was regulated by permit. Elaborate statements were issued from time to time by the Minister and the Manager of Railways explaining how this shortage had come about. It appears that the trouble had begun as far back as 1913, with the Watersiders' strike, which compelled the Railway Department to draw on its reserves of coal. Owing to strikes in New Zealand or Australia and other causes, the reserve of coal was continually reduced until in July, 1919, the Department had only 11,000 tons in sight. To add to the difficulties of the Railway Department, it had been found necessary, in 1915, to set up a Coal Trade Board under the Minister of Munitions. This Board allotted coal supplies to the railways and other consumers. At the time of writing, a slight improvement in the railway service has been made, in the despatch of express trains from and to the main centres once a week.

It has been already stated that the Board of Trade recommended a modified form of nationalisation. Since then Sir Joseph Ward in his manifesto has expressed himself in favour of the nationalisation of the coal mines, and

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a similar recommendation has been brought down by a Parliamentary Industries Committee. It seems certain, therefore, that the question of nationalisation of the mines will loom largely in the Parliamentary discussions this year. The State coal mines, which have been in operation for some years, have been the subject of much controversy. It is claimed on the one hand that strikes and the "go-slow" policy have been just as much in evidence in these mines as in any of the private mines, and that the State has not found it possible to make any substantial reduction in the cost of coal. On the other hand, the Labour Party contend that the housing conditions at least are better in the State mines, and that if the principle of nationalisation has not produced any marked improvement in the condition of the miners, it is due to the fact that the principle has not gone far enough. They now claim that in order to produce better results and to draw men to the mines it is necessary to give the miners representation on the board of management. It would certainly seem advisable before incurring the heavy expenditure involved in wholesale nationalisation to try the experiment of joint control in the present State mines in order to see whether it removes the existing discontent and improves the output. The State mines have suffered from a shortage of miners just as much as the private mines. Recently the Government proposed to try and induce some hundreds of miners to come to New Zealand from Australia, but the opposition of the New Zealand miners was successful in frustrating this proposal. In some quarters a demand arose for the opening up of new mines in different parts of the country with a view to making up the shortage, but, as the late Minister of Mines pointed out, there seemed nothing to be gained by diverting labour towards the opening of new mines while the present mines were so short of miners. His estimate is that the mines are short of 800 men, and only 471 of this number is accounted for by the enlistment of miners for military service.

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III. LABOUR QUESTIONS

AN important attempt to organise labour on new lines was initiated this year under an alliance known as the National Industrial Alliance of Labour. The origin of this alliance will be found as far back as 1908, when the first Miners' Federation was organised on the basis of the I.W.W. movement in America, setting forth for the first time in New Zealand the full doctrines of the class war. This federation soon drew to its ranks the Waterside Workers and other Unions whose position in the economic field is one of peculiar strategic importance. These unions are so placed that it is more easy for them than for any others to hold up the community, as they operate fundamental industries. The Federation met with its first great defeat in the Waihi strike in 1913, when its appeals for assistance to the old trade unions were refused. In July, 1913, at the great Labour Conference held in that year, at which over 60,000 unionists were represented, an attempt was made to bring together these two different schools of thought, the one standing for the class war and revolutionary socialism, and the other representing the old trade unions or step-by-step Socialists. The name given to the new body at this conference was the United Federation of Labour. Soon after that conference, however, the old trade unions broke away from the movement, and the Federation of Labour met with its second great defeat in the Watersiders' strike at the end of 1913. During the period of the war both parties have been trying to reorganise their broken ranks, and while it is difficult to trace in detail the constant changes that take place, it may be broadly stated that the United Federation of Labour is now in the hands of the old trade unionists. The Miners' Federation linked itself up with the Australian Miners' Organisation. During this year a further attempt has been made to

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amalgamate the more aggressive unions under the new name of the National Industrial Alliance of Labour. The basic idea on which this organisation is built is that the Labour movement should be organised on the principle of industrial unionism, and not of craft unionism. This line of division is so well known in England, and the controversy has raged for so many years, that there is no need to elaborate it here. The Alliance comprises the Waterside Workers' Federation, the Associated Society of Railway Servants, the Engine Drivers' Federation, and the Miners' Federation. It was also proposed to include the United Federation of Labour, the Agricultural and Pastoral Workers' Union, and the Bootmakers' Federation, but these last-named were excluded later on the ground that they admitted the principle of craft unionism; in other words, some of them did not comprise all the workers involved in the particular industry. The importance of this organisation is that it is the real successor to the old Miners' Federation of Labour known as the "Red Feds," which explicitly adopted the principle of the class war and the policy of One Big Union. Its participation in the recent miners' dispute has already been mentioned, and if it hesitates in the meantime to test its strength, this is probably due to its fear of injuring the Labour cause at the coming elections.

IV. ADMIRAL JELlicoe's VISIT

GREAT interest has been aroused in the Dominion by the visit of Admiral Jellicoe, who has made a splendid impression upon the people of New Zealand by his frankness and keen interest in New Zealand affairs. It will be some time, of course, before he will be able to report officially to the authorities, and he has already indicated that his report may never be made public. However, on August 27 he made an interesting statement to the delegates

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who visited him from the Dominion Conference of the Navy League. He emphasised the importance of keeping the Navy League entirely free from any suspicion of political bias if its work was not to be seriously prejudiced. As to New Zealand contributions he pointed out that—

If New Zealand is going to take a share in the maintenance of the defence of the Empire in the future in proportion to her population and trade, her contribution will be considerably more than its present one.

He pointed out the burden that the people of the United Kingdom at present bear, and said he saw little possibility of future estimates being much reduced.

I doubt if it will be possible for the estimates to be less than £1 per head of the population of the United Kingdom, say, £45,000,000, and if the United Kingdom with its own heavy burden of debt can furnish £1 per head of its population, I hope and trust that the Dominions will find themselves able to do the same.

The rest of his remarks are of such special interest as to warrant a lengthy quotation.

New Zealand's contribution can be one of two sorts, either in money or in kind. If it is in kind, I imagine that the sentiment of New Zealanders would move them to maintain a local unit of the Imperial Navy, such unit being manned, as far as possible, by officers and men of New Zealand birth. New Zealanders would then see, not only the ships, but also the men who man them. The ships would be termed the New Zealand unit of the Royal Navy. In such a matter the loyal and patriotic spirit of New Zealand would be a visible and tangible thing, and it would be apparent to the Empire and the whole world that New Zealand had achieved something definite, in which she could take a legitimate pride. One of the finest things in the world for creating discipline and efficiency is the spirit of *esprit de corps*, and if New Zealand and Australia each have units in the Royal Navy, and the two meet, the spirit of rivalry is bound to be set up, and this would result in increased efficiency. As in football, cricket, and other sports, competition makes for efficiency.

The advice, therefore, that I would offer to the league is to continue its extremely valuable work—first, as you yourselves recognise,

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from the educational viewpoint ; and, secondly, if there are any opposing elements in the country on the subject of contributions in money or in kind, to try and bring these different points of view together, by pointing out that there is no real difference in opinion. Whether New Zealand gives in money or in kind, the spirit is exactly the same—it is a contribution to the Royal Navy. In this matter I hope there will be unanimity of opinion in this country.

The training of youths of this country would be a matter for your Defence Department. There are, of course, one or two things to be realised. Unless either the ships change about and get into big fleets, or the officers and men do, they cannot become efficient. You cannot make a navy out of a few ships. The New Zealand unit would have to work with the Royal Navy in war, and unless it had done so in peace, there might easily be a lack of cohesion, and a loss of efficiency at a most critical period in our history.

There are two ways to achieve the desired result—first, to let the unit, as a unit, work with the Royal Navy ; and, secondly, to change the officers and men about. The better way is for the officers and men to go in other ships. Thus we will obtain unity of thought. Interchange makes for unity of thought, and unity of thought in a navy makes for success. Not only should we serve under one flag ; we should be one in thought, one in discipline, one in our aims, ideals and loyalty.

You ask me would it be necessary for New Zealand to have a Naval College ? This, I think, would not be worth while for some time yet. You also inquire whether boys should go directly to the Navy from the Naval College in Australia. Yes, and it is a most excellent training college. About thirty cadets join per annum, and they remain for four years.

In conclusion, I would say that I hope there will be no attempt to tie any New Zealand unit to New Zealand shores. This would be fatal to efficiency. Neither should there be any jealousies between the different parts of New Zealand as to where the naval bases should be. Nothing but strategical considerations and the suitability of the locality generally should be allowed to govern such a matter as this.

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V. THE PEACE TREATY

ON September 4 Parliament passed a resolution to ratify the Treaty with Germany and accepting the mandate of the League of Nations for the government and administration by New Zealand of that part of the Samoan group which was formerly under German rule. The Prime Minister and Sir Joseph Ward explained the general purport of the Treaty to the House, but no reference was made to the grave constitutional considerations that arise from the fact that the self-governing Dominions were represented at the signing of the Treaty. This question has been discussed in previous issues of *THE ROUND TABLE*. It seemed clear that the Prime Minister regarded the signing of the Treaty as a natural consequence of the fact that the Dominions had been consulted in the making of the Treaty and of the desire of Great Britain to secure in a formal manner the concurrence of the Dominions in the decision arrived at, and to pay them a compliment for the share they had borne in the war. Certainly the New Zealand Government would be surprised if it were suggested that their action in signing the Treaty had established their full responsibility for foreign affairs. Yet from the point of view of constitutional law this startling result may be considered as one of the logical consequences of the signing of the Treaty.

There has been no discussion of the matter by the public of New Zealand, who accept the fact without seeking to interpret it. The Wellington *Evening Post* of September 1 discussed the position in an illuminating article headed "New Responsibilities," in the course of which it says :

Though the closer unity of interest and sympathy which the war induced thus lacks for the present any constitutional expression, the status of the Dominions has received a recognition of another kind which is of a far more startling character. Paris may be said

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to have swallowed the camel while London was still straining at the gnat. Though the Dominions have not acquired a formal and effective share in the government of the Empire, they have been admitted without challenge or reserve to an individual and independent status in the council of the Nations. They were admitted on this footing to the Peace Conference. Their representatives have signed the Peace Treaty, and they have become members in their own right of the League of Nations. That the nationhood of the Dominions should have received this international recognition is highly gratifying to their pride, but the change only serves to increase the anomaly of their position in the Empire, and it is by no means clear that it will make for Imperial unity. Are the Dominions ever to cast an international vote against the Mother Country on a question relating, say, to the future of the Pacific regarding which their interests and wishes might rather harmonise with those of the United States? And what would be the value of the support or the opposition of the Dominions without the whole force of the Empire behind it? . . . The fundamental problem of giving the Dominions an equitable share in the control and the responsibilities of the Empire's foreign policy has really been complicated in a manner which cannot be accurately gauged by the flattering compliment which has been paid to them in Paris.

This seems to put the matter so accurately that there is little more to be said in the meantime. No doubt the question will come up for fuller discussion at the next Imperial Conference, but it is still safe to say that the people of New Zealand regard themselves as in a state of tutelage so far as foreign affairs are concerned, and it is only when some conflict of interest arises between themselves and Great Britain or some of the sister Dominions that they will begin to consider seriously their constitutional position in international affairs.

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THE BRITISH EMPIRE, THE LEAGUE OF NATIONS AND THE UNITED STATES

IT is nearly sixteen months since hostilities ceased between the Western Allies and the German Empire. At the time of the Armistice we rested on our arms with high hopes for the future of the world, and with a vigorous confidence in our power to set its troubles right. These hopes sustained us through the long negotiations for peace; and though some criticism and disappointment made themselves felt when the terms of peace with Germany were published, the greater part of the world continued to believe that a new and better era was about to atone for the strain and misery of the past five years.

The state of Europe now, only seven months later, presents a sad and striking contrast to that belief. The greater part of Europe, so far from making progress, is much deeper in distress than before. France awaits an indemnity which cannot be paid, and has so far made no attempt to arrest by taxation the inflation of her currency and her growing indebtedness. Italy is in very similar case. Germany is still suffering from a serious shortage of food, and her population seems to regard the future with mute despair. In Austria famine is almost universal, and the whole mechanism of civilised existence is at a standstill. Eastern and South-Eastern Europe, and many parts of the Middle East, are still engaged in warfare or imminently threatened by it. The new States created by the Paris Conference have little political and no economic organisa-

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tion, and can only be regarded as clinging very precariously to independent life. And all this dislocation and turmoil is setting a deeper and deeper mark, not only on the generation which fought the war, but on the men and women of the future who had no part in it. Children are dying in terrible numbers, and those that survive will have famine and disorder in their systems for the whole term of their lives.

By contrast with all this misery, the British Empire has made a wonderful recovery from the strain of the war. We are better off than any of the great civilised nations, except the United States, the large South American Republics, and Japan. This is the more remarkable since we have been through an ordeal of an altogether different order to those Powers. The South American Republics were not engaged in the war, and suffered, therefore, only from the reflex of the strain which it imposed upon belligerents. The United States played a great part in the struggle, but underwent no trials comparable with those of its European Allies. The same is true, on a smaller scale, of Japan. The British Empire, on the other hand, felt the strain acutely from end to end. A very large percentage of its white male population—over 24 per cent. of it, in fact, as compared with under 2 per cent. in the United States—was actually engaged in the field, and suffered very heavy casualties. Its normal industrial and economic life was completely overturned. Its financial resources were taxed to the uttermost. The exhaustion which came upon us after the Armistice was proportionately severe. Wise men shook their heads and declared that, while we might have won the rubber, we had certainly lost on points.

In spite of this, the democracies of the Empire have rapidly recovered energy and confidence. In the Dominions the signs of strain, except financial stringency, have largely disappeared. In Great Britain the temperature is not yet normal, but what the Prime Minister, in a striking

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phrase, described as "the fever of anæmia" has lost much of its virulence. The common sense of the British race has indeed shown much vitality during the last few months, and has saved us in all parts of the Empire from movements that threatened collapse. Strikes levelled against the whole machinery of the State have been ended, not by force, but by the joint determination of the whole community not to be held up. The railway strike in Great Britain last autumn was the most impressive example of this; but there were other examples, such as the strikes in Canada last summer and the protracted seamen's strike in Australia, which all ended in the same way. Poverty also, despite much dislocation and unrest, is really less, though much of our apparent prosperity is of the artificial character always produced by a period of inflation. Prices are very high, but food at a price is plentiful, and there is no suffering in the British world comparable with that in most parts of Europe. Industry has also been reviving in spite of heavy odds, and if our imports are still much beyond our means, our exports have been rising for some time past. We have also maintained a very heavy scale of war taxation; and though this has gravely hampered our industrial and economic revival, as heavy taxation always must, it is at least saving us from further additions to our enormous burden of debt. By comparison with the rest of Europe, then, Great Britain is not at present badly off; and the British Empire as a whole has recovered in an even greater degree than Great Britain itself.

This recovery is, however, in some vital respects more apparent than real—not only because of problems of our own which we cannot afford to overlook, but still more because we cannot make any permanent recovery which is not shared by the whole world. While our eyes have been turning inwards to our own discussions and debates, vast territories in the world, whose welfare is only less vital to us than our own, have sunk deeper than ever in the darkness and horror of the earthquake from which we have emerged.

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Their condition presents a series of political and economic questions which we cannot ignore without moving straight to a catastrophe. These questions are pointed so clearly by facts known to the public everywhere that they may seem to pose themselves ; but they are nevertheless ignored by public opinion throughout the Empire, which shows no sign of realising that the hopes of last year, so far from making progress, are slipping rapidly back towards an abyss.

The most significant of the danger signals so plainly visible is the financial situation revealed by the rapid fall of the exchanges. In this respect, as in others, Great Britain and the British Empire generally are more favourably placed than any of the European nations ; but they cannot afford on that account to disregard the warnings of their best financial guides. The economic structure of the world is now so complex that the welfare of every nation is dependent, to a very large degree, upon the welfare of all. There is no need to deal with the financial situation here, as it is treated very fully in a later article in this month's ROUND TABLE,* which we trust that none of our readers will neglect. The signs all point to a period of serious depression in the near future, which we must take steps to overcome. The greater part of the political interest of the British democracies, particularly in Great Britain, is absorbed at the moment in ambitious projects of social and industrial reform, which cannot be launched without a further very heavy strain upon the general resources of the community. Well-meaning people on all sides argue eagerly that statesmen must take up these projects without delay lest the revolution overtake us in the night. It is time that all political parties realised that the surest way of inviting the revolution, which is not otherwise imminent, is to neglect the laws of sound finance. In the widespread misery, destitution and disillusionment which must follow

* " International Financial Co-operation," page 254.

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fast on improvident finance, the streak of revolutionary madness, which has made itself visible at times, but which is at present so thin and impotent, may spread with rapid and irreparable results. The organisers of revolution, powerless otherwise against national common-sense, know this well enough, and shape their propaganda accordingly. We shall simply play into their hands if we pursue our present social and industrial projects without at the same time increasing production, freeing trade, and reducing our debt.

The financial problem, however, is not the only danger signal, for the political situation in international affairs is almost equally serious. Two facts are evident. On the one hand the accord of the victorious allies has been seriously shaken since last July. Rumania's action in Hungary, the protracted negotiations on the Fiume question, and the various problems that cluster round Poland are prominent examples of this. The result has been a progressive loss of authority on the part of the Peace Conference. Six months ago the Peace Conference still seemed to hold the destinies of Europe in the hollow of its hand. Now its power is little more than that of the secular European Conferences which were familiar before the war. There is striking evidence of its diminished authority in its failure to enforce its demand for the surrender of Germans accused of crimes. It is suffering from the inevitable reaction of feeling against claims to power which were at once too pontifical and too idealistic ; and the final resettlement of Europe will be governed in some instances by forces beyond its control. The second leading feature of the situation is a consequence of the first. Like the Peace Conference, the Covenant of the League of Nations aimed too high and too far. Six months ago we looked to it to furnish the means for peaceable revision of the terms of peace, where revision might be required. Now we have to realise that national sentiment sets closer limits to international action than we were willing then to recognise.

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The League has failed to secure the adhesion of one of its most important members, the United States, and is very unlikely to secure it, except with reservations which must greatly modify its value as a guarantee of peace. This is not to say that it will not still provide the means for effective international action against flagrant violations of peace or international faith. Where feeling is sufficiently stirred, the League may in future do much ; but its power and influence will depend on the national feeling of its members being roused. The emphasis of public sentiment in all nations is now on the rights of national sovereignty, rather than on international right ; and from this standpoint the responsibilities of the British Empire under the League are larger than our democracies are conscious of or ready to carry out.

This situation presents a very serious problem for the British Empire. We have not only undertaken great obligations under the League which we must now both in honesty and in self-regard revise, but we have looked to the League to provide us with the machinery for united British action in foreign affairs as well as for co-operation between the British Empire and other Powers. Politicians in all parts of the Empire have argued during the last eight months that the League of Nations has made unnecessary the closer co-operation of the British democracies in foreign policy and defence. Important organs of opinion have preached the same view, and very little attention has been paid, not merely to its intrinsic difficulties, but to the obvious failure of even such Imperial co-operation as might have been possible had the League come up to our hopes.

This aspect of the subject needs careful examination, for the co-operation of the different parts of the British Empire within the League will be essential to its recovery from the dangers which at present threaten it. If the British nations cannot devise the means for formulating and pursuing a common policy in defence of law and peace, there is little prospect that other nations, divided by

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language and history as well as by wide differences of outlook and interest, will succeed where we have failed.

It will be easier, however, to deal with our domestic relation to the League when we have more fully examined the problem as a whole. The first step is to clear our minds, if possible, on the causes which have made the League fall so short of expectations at the very start.

II.

OUR disappointments are commonly traced to one or other of two causes, the one economic, the other political. These are :

1. The failure of all nations to realise the terrible price which the nemesis of war exacts in economic and financial disorganisation—a price which has now to be faced by victors scarcely less than by vanquished, if the welfare of all nations is to be restored.

2. The refusal of the United States to ratify the Treaty and the Covenant.

The former of these themes is dealt with fully in the later article in this Review, to which attention has already been called, and need not be elaborated here. What concerns us here is to point out that the attitude of the Allies to the financial problem bequeathed by the war was only a symptom of a wider error which weakened the whole framework of the peace. When the Paris Conference met, the victorious nations were deeply stirred by a desire to mete out ideal justice and to build an ideal world. The weakness of this aspiration on the financial side lay in its failure to recognise the extent to which victors and vanquished must make common cause against financial and economic collapse. The result was a general disregard of practical considerations which is very well illustrated by the reparation terms. Those terms represented an overwhelming popular movement in favour of forcing the

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German people to make complete atonement for the loss and damage which she caused by the war. When once this method of assessment was adopted, in preference to a practical calculation of what the general economic interest of Europe required, it led inevitably to absurdity. The statesmen might doubt the practical possibility of making Germany pay the whole bill ; but when it came to fixing the German liability at any definite sum, agreement became impossible. If any one statesman insisted on the full measure of his country's claim, all other statesmen, in justice to their own peoples, were bound to do the same. Poetic justice therefore dominated all discussion, and ruled out the real necessities of reconstruction, which was the common interest of all. And the reparation terms were not peculiar in this respect. They merely shared a vice which ran all through the structure of the peace—a failure to qualify ideal aims by reference to actual necessities and forces which statesmen can guide but not control.

A very similar illusion has distorted most European comment on the attitude of the United States towards the Peace. That attitude has sprung from the fact that the Treaty and the Covenant, in the desire for ideal solutions, both attempt too much. It may be well to review as briefly as possible the chief factors in American opposition to the League in order to bring its real nature out.

The general opinion outside America inclines very strongly to the view that the troubles of the Treaty in Congress have been due simply to American domestic politics. There are two features in the controversy which go far to popularise that view. It is obvious, in the first place, that President Wilson's tactics towards Congress were unfortunate. He did not include any representatives of the Republican party, any members of the Senate, any leading American citizens of the calibre of Mr. Root or ex-President Taft, in the United States delegation to the Peace Conference. He carried on his negotiations there without allowing his supporters, and much less his oppo-

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nents, to understand to what the Republic was being pledged. What was more serious still, he insisted that the Covenant of the League of Nations should be embodied in the framework of the Treaty with Germany, so that critics of the Covenant should be forced to choose between complete rejection of the peace and complete acceptance of a series of external commitments and obligations which revolutionised the traditional aims and methods of American policy towards the rest of the world. He then demanded from Congress and the nation, and still demands, an absolutely unconditional submission to the image which he had set up.

This description of President Wilson's method is cast in the language of his critics ; but, whether exaggerated or not, it was endorsed by a sufficiently large section of public opinion in America to raise a constitutional issue which is, for Americans, of great significance. A President is elected in the United States for a period of four years, and during that period he cannot be removed on any grounds of policy, however far he may depart from the confidence of the electorate. The only check upon the Chief Executive lies therefore in Congress ; a President who ignores Congress without very clear evidence of popular support runs dangerously near a claim to despotic power during his term at the White House. It is not for foreigners to judge whether President Wilson had sufficient ground for supposing, before his unfortunate illness, that he could carry public opinion with him in favour of the Treaty and the Covenant against the opposition of the Republican majority in Congress. What is certain is that, since his illness, a very powerful wave of public feeling has risen against the Covenant as it stands, and in support of the criticisms levelled against it in the Senate.

It is, however, most misleading to suppose that this wave of feeling has been evoked by the constitutional issue joined by the Senate. It is not popular feeling on the constitutional issue which has caused the opposition to the

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Covenant, but popular feeling against the Covenant which has raised the constitutional issue. It is therefore essential for a true understanding of the American attitude to the Covenant to brush aside all questions of American party politics and penetrate to the nature of popular feeling against the Covenant itself.

The first element in this feeling is a wide suspicion of European diplomacy, to which much colour is lent by the proceedings of the Allies and the nature of the Treaty itself. It must be remembered that the American people are as much detached from the secular controversies of the old world as English opinion was detached from the atmosphere of Continental Europe after the Napoleonic wars. Americans detect in the Covenant of the League of Nations a subtle conspiracy to secure the support of American power and influence for the selfish aims of their European Allies, without regard for the principles on which the Covenant is ostensibly based. The sequence of events in Europe since the signature of the Peace has undeniably given much reason for this view. The proceedings of Rumania in Hungary, or of Poland in Russia, or of Italy in Fiume—to quote three examples at random—seem to indicate that the Allies often prefer their private interests to the principles of the Covenant. The reason no doubt is that the Covenant and the Versailles settlement went far beyond the limits within which a League of Nations can at present make its influence effectively felt. But that is exactly the obstacle on which American goodwill sticks. “Why,” Americans say, “must we be committed to participation in quarrels which we can neither understand nor prevent? The only consequence will be that our diplomacy will be exploited by European Powers in their own private interest.” Another example may be taken in fairness from British foreign policy since the signature of peace. The Anglo-Persian agreement, announced during a critical period of the debate on the Treaty in the American Senate, may be based on principles which all our Allies would understand

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and accept. "Why, then, negotiate it behind the backs of your Allies," Americans ask, "and only notify them of the accomplished fact?" If we do these things, it is not unnatural that Americans should feel that, while we support the League as a means, where convenient, of commanding American support, we neglect the League entirely when separate and secret action is better suited to our interests.

Incidents of this kind have been inevitable in the very difficult conditions of international politics during the last few months. Their effect on American opinion is not due so much to their intrinsic importance as to the fact that they aggravate the fear of the unknown which colours the American attitude towards foreign affairs. The League of Nations has been suspect as a disguised system of alliances, designed to implicate the American people in ancient European feuds which they regard as no less dangerous to peace in this new era than in the past. The average American has not lost the idealism, so eloquently expressed by President Wilson, with which he entered the war. He will be prepared in due course to make his power and influence felt in support of those principles of international dealing which are embodied in the Covenant. But he wishes to know exactly whither he is being led, and he refuses point blank to surrender his judgment and choice of action to an international council in which he feels that his representatives will long be handicapped by lack of knowledge and diplomatic experience. The denunciations levelled against him in Europe for cynical breach of faith have gone far to confirm his suspicions and to strengthen his resolve. "If," he argues, "the mere letter of the Covenant is so vehemently demanded, let me be sure what this letter implies."

This aspect of the controversy has brought out an essential difference between the British and the American mind. While the average Briton has accepted whole-heartedly the broad aims and principles of the League, he looks at its

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mechanism from his own empirical standpoint as a scaffolding rather than a house. "This may be a good scaffolding," he would say, "but more probably it is not. Let us make the best of it, and discover in the process how really to build the house." The average American has, on the other hand, a profoundly legalistic turn of mind. Written constitutions are the framework of his political thought. He must examine the letter of the Covenant from every side as something with a binding force equal to that of the American Constitution itself. He does not appreciate our experimental standpoint, and fears to commit himself too completely in a single step.

The step demanded of him by President Wilson appears to involve—and does—the complete abandonment of the doctrines of the Father of the American Republic.* He has been taught from his earliest youth to shun "entangling alliances," and live unto himself. He realises that he can no longer live unto himself alone, even if he would; and his innate humanity prompts him with a real desire to make American idealism a sovereign remedy for the sins and sorrows of the world. But must he, therefore, pledge himself at once to an international instrument so large in scope, so binding in character, as the Paris Covenant? His constitutional system, and his political traditions, both drive him to refuse. Let us imagine in this country a Prime Minister with supreme executive functions, irremovable for four years and not responsible to Parliament. Let us suppose this Prime Minister demanding the adherence of British democracy to an international instrument which revolutionised the foreign policy of the country and refusing to allow any qualification of that instrument by Parliament. British democracy would have to change its character very fundamentally to accept a proposal of that kind. American democracy is no different.

The truth of the matter is that the American Senate has expressed the real sentiment of all nations with hard-

* See *Note A* at the end of this article.

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headed truthfulness. The attitude of the American people, coloured by their own peculiar situation, is in essentials merely the broad reflex of an attitude which all their European Allies have in one way or another already taken up. The Senate has put into words what has already been demonstrated in Europe by the logic of events—namely, that the Peace of Versailles attempted too much, and that the Covenant, which guarantees it, implies a capacity for united action between the Allies which the facts do not warrant.

The whole Treaty was, in fact, framed to meet the same impracticable desire which we have already noted in the reparation terms—the desire to mete out ideal justice and to build an ideal world. In their demand for ideal justice the victorious nations were looking back. “Germany,” they said, “has done this, and this, and this to the nations on whom she forced the war. She must repay them to the uttermost farthing.” In their demand, on the other hand, for a new and ideal world, the nations were looking forward. “The true principles of political organisation,” they said, “are this, and this, and this. We must refashion the world in accordance with these principles, and we shall then have a new heaven and a new earth.” Both desires were unfortunately beyond the scope of any single generation of statesmen to execute. With regard to ideal justice, it was soon apparent that an attempt to make Germany pay to the uttermost farthing would inevitably defeat itself. As soon, however, as modifications of the ideal were suggested, the interests of the Allies began to conflict; they could remain agreed only so long as each nation was promised the full measure of its claims. The ideal reconstruction of the world presented even greater difficulties. “National self-determination,” for instance, proved itself in practice an extremely difficult principle to apply. It was no sooner applied to any controversial region than the Allies interested in that region differed deeply amongst themselves, and the actual solution of their differences

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was attained only after protracted negotiation and controversy.

The vital weakness of the Treaty and the Covenant became more clear than ever in the months succeeding the signature at Versailles. A settlement based on ideal principles and poetic justice can be permanently applied and maintained only by a world-government to which all nations will subordinate their private interests. It demands, in fact, that nations should be guided by a clear and single-minded grasp of world-interest, comprising humanity as a single whole. It demands, not only that they should sacrifice their private interests to this world-interest, but also that they should be prepared to enforce the claims of world-interest even in matters where their own interests are in no wise engaged. It demands, in fact, that they should subordinate their national sovereignty to an international code and an international ideal.

The reservations of the American Senate, which are printed *in extenso* at the end of this article,* point the practical difficulties of this ideal with simple force. All the reservations which are not affirmations of the constitutional claims of the Senate *vis-à-vis* the President are affirmations of the sovereign right of the American people to make their own policy without interference from an International League. Under Reservation II., for instance, the United States disclaims all "obligation to preserve the territorial integrity or political independence of any other country." Under Reservation III. it refuses all mandates from the League. Under Reservation IV. it "reserves to itself exclusively the right to decide what questions are within its domestic jurisdiction and declares that all domestic and political questions relating wholly or in part to its domestic affairs, including immigration, labour, coastwise traffic, the tariff, commerce, the suppression of traffic in women and children, and in opium and other dangerous drugs, and all other domestic questions, are

* See *Note B* at the end of this article.

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solely within the jurisdiction of the United States." Under Reservation V. it reaffirms the Monroe Doctrine as "wholly outside the jurisdiction of the League." Under Reservation IX. it refuses to be committed to any expenditure by the League. Under Reservation X. it reserves for its own judgment the scale and character of its armaments. None of these reservations, it should be noted, contravenes the general aims of the League ; but they are, one and all, directed to ensure that no action is taken in pursuit of those aims except with the consent and approval of the Congress of the United States. In other words, the United States reaffirms in them the principle of national sovereignty as over-riding the ideal of a world-government enforcing a world-interest, and refuses to admit derogation from its national sovereignty in any respect.

There is nothing peculiar in this attitude. It is merely, we repeat, the broad reflex of an attitude already taken up by all the European Allies in questions where their national interests are affected, and also by the British Dominions in their relations with the British Government. It gives us a statement, in plain English, of limitations to the ideal of international action which none of the other Allies will, in practice, dispute.* So far, therefore, from destroying the League of Nations, the American reservations have rendered it the great service of pointing clearly to the flaws which at present neutralise its worth.

If we turn now to the relation between the League and the British Empire, we shall find that the same practical lesson is pointed no less forcibly by our own experience.

* See *Note C* at the end of this article.

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III.

THE British Commonwealth is itself a league of nations, though a league without a covenant. It proved its unity of aim and sentiment in the great ordeal of the war, and during that ordeal it established and worked a definite system of united action with historic results. United action was, however, made possible only by united counsels, which took shape in a new constitutional invention of a very elastic character—the Imperial War Cabinet. This system was prolonged into the period of peace negotiations, in which unity was as obvious a condition of success as during the war itself. By means of it the diplomacy which shaped our course at Paris was representative of the whole British Commonwealth in an altogether unprecedented sense.

The climax of this very new and proper constitutional development was reached at the signature of peace. The Dominions and India then definitely established their status as individual nations and members of the League by affixing their separate signatures to the Treaty and the Covenant, which gave them individual votes in the Assembly of the League and the right of individual entry to the Council of the League, should the other signatory Powers consent. Therewith the mechanism by which British unity of action had been secured dropped into the past, and the League of Nations itself became the organ through which the unison of British aims and sentiments should in future make itself heard.

The motive for this new constitutional theory lay quite as much in the domestic difficulties of the British Empire as in a disinterested desire to make the most of the League. The constitutional position resulting from the new status of the Dominions and India as partner-nations in the British Commonwealth, in no way subordinate to the Government of Great Britain, required elucidation. The

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view generally expressed was to the effect that the real and only, but completely sufficient, link between the partner British nations was the Crown. This view contained an important and significant truth, for the Crown represents what is common to all British subjects, above and beyond distinctions of national sentiment, race feeling or party difference. But as a solution of our Imperial political problem it was clearly incomplete. The King is a constitutional Sovereign, and acts on the advice of his ministers. The fundamental constitutional doctrine that "the King can do no wrong" is an expression of the fact that the King is advised by his ministers, who take responsibility for his acts. The new status of the Dominions and India could have no constitutional meaning unless their respective Governments were entitled to advise the King in the same way as the Government of Great Britain, which had hitherto exercised that responsibility alone. A Sovereign advised by six different Governments cannot act on the advice of all his Governments unless they happen to be unanimous. It had been found in Paris that in order to preserve its unity the British delegation must meet frequently as a delegation to discuss its policy before meeting the representatives of foreign nations in conference. How was this unity of action to be maintained after the signature of peace without committing the Dominion Governments to some new constitutional organisation within the Commonwealth? And if some new constitutional organisation were to be devised for this purpose, how could it fail to limit in some way the full national independence of status which the Dominion Governments had just achieved by their recognition as individual members of the League of Nations? The answer to these questions was found in co-operation within the League, which was to serve, not only as the link between the British Empire and foreign Powers, but as the link also between the constituent nations of the British Empire itself. Imbued with this idea, the Dominion statesmen

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accepted obligations to foreign Powers under the Covenant of the League more binding than any obligations which they would undertake to their kindred nations within the British Commonwealth. In other words, they mortgaged their freedom of action to a league of foreign States in order to avoid the possibility of mortgaging it to the British Government.*

It hardly required the reservations of the American Senate to demonstrate the illusory character of this arrangement. The American reservations to co-operation in the League of Nations are in many respects precisely similar to those with which the British Dominions qualify their willingness to co-operate in the British Commonwealth. The British Dominions, for instance, have always refused to consider any form of Imperial organisation for defence which centralises the control of naval and military forces or expenditure thereon. Reservations II., IX., and X. embody a similar refusal to the League of Nations on the part of the United States. The British Dominions have made no such reservations with regard to the Covenant, and they are therefore bound by the obligations which have been rejected by the United States. Canada, Australia, South Africa and New Zealand are, in fact, bound by stronger written obligations to Poland and Czecho-Slovakia than to the British Isles. They have guaranteed the frontiers of many foreign States, and in principle—hedged, it is true, by safeguards of many sorts, but in principle nevertheless—they are pledged to defend them, if the League demands, by force of arms.

So much for the letter of the Covenant. It is almost needless to observe that none of the democracies of the British Empire has grasped the extent of its obligations to the League of Nations or would hesitate to repudiate them at once, if put to the test. If England were threatened by invasion, the other British democracies would mobilise

* For a practical illustration of these difficulties see the discussion of the Samoa Mandate in the New Zealand section, page 467.

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at once for her support ; but though they have a written obligation to Poland, which they have never dreamed of giving to England, they would not in practice mobilise a single man to defend the integrity of the corridor to Danzig or any other Polish territorial interest. They have drifted into this equivocal situation simply through a desire to establish their new status within the British Commonwealth without admitting the domestic difficulties which that status inevitably entails. That is a dangerous and equivocal situation, which entirely belies our real desire for straight dealing in international affairs. It is time that our democracies reviewed and corrected it with the clearness of vision and candour of statement displayed by the much-abused Senate of the United States.

The same moral is pointed with equal force by another significant feature of the present situation. The Dominion Governments did their full share in the work of the British delegation at Paris which represented the Empire in making the peace with Germany. They have since affixed their signatures to the peace with Austria and the peace with Bulgaria ; but they took no part in the negotiation of either of these instruments. This is only another demonstration of the fact that membership of the League of Nations does not of itself, except in form, establish the national status of the British Dominions either in the community of nations or in the British Commonwealth. It shows that something more is needed for full national status, since independent nations cannot be bound by treaties in the negotiation of which they have taken no part. The Dominions might have taken their part, had they chosen to do so, in exactly the same manner as in the negotiation of the peace with Germany. The British Imperial delegation which negotiated the German treaty has, however, ceased to exist ; and the Dominions have not yet realised that without it their participation in the League of Nations as individual members is a matter of form without political substance.

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The negotiation of peace with the Ottoman Empire and the shaping of our policy towards Russia and the Bolshevik Government are even more significant examples of this fact. Among the many changes brought upon the British Empire by the war none is more serious than the great extension of its responsibilities in the Middle East. We have now a land frontier extending from the south-west littoral of the Caspian to the mountain ranges which divide the Indian peninsula from the rest of the Asiatic continent. Peace in this vast region is essential to the defence of Egypt, the maintenance of our communications with the East, and the security of India itself ; but the military considerations are small beside the political problem which these territories present. We are the greatest Mohammedan Power in the world, and Islam is working out its future in the Middle East. The religious question is, moreover intertwined with national, political and economic movements of great complexity, which have been described from different standpoints in several articles published in this magazine during the last two or three years.* If the European history of the nineteenth and twentieth centuries has one outstanding feature, it is the constant friction caused between the civilised Powers by the development and colonisation of uncivilised and partly civilised lands or by the failure of government in areas like the Ottoman Empire which Europe cannot neglect. The most critical of all areas from this point of view will, in the near future, be the Middle East. The settlement which we now adopt, and the lines upon which our future policy is shaped, must vitally affect the peace of the world and our own security. It is essential that our course should be wisely taken and generally understood.

It follows that the Dominions are as closely interested as Great Britain and India in the negotiation of the peace

* Turkey : A Past and a Future. June, 1917.

Turkey, Russia and Islam. December, 1917.

Russia, Germany and Asia. June, 1918.

The Outlook in the Middle East. December, 1919.

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with Turkey and in the choice of our policy towards Russia. When the treaties are negotiated, they must presumably either append their signatures to them or break away decisively from the British Commonwealth; and whichever course they pursue, whether they act with the British Government or follow an independent line, their future must be gravely affected by the decisions which the British Government now takes. But despite this they are neglecting all share in the negotiations, not because they are not invited to share, but partly because the present machinery makes common action difficult, and still more because their Governments, in point of fact, take no interest.

Those Governments may argue that their active participation in international negotiations is called for only when the interests of their own respective nations are directly concerned. But is this argument sound? Australia and New Zealand, for instance, might contend that their interest in foreign affairs is limited to Pacific questions, which affect their integrity as nations, and cannot possibly extend to areas so remote from their own communities as the Middle East. The security of Australia and New Zealand can never, however, be seriously threatened except at a moment when the main resources of the Empire are already committed to war elsewhere. The cession of the Pacific islands north of the Equator to Japan, which has exercised the Pacific Dominions deeply, was not brought about by hostile action in the Pacific, but by the mortal peril into which the Empire was plunged by the European war. If, therefore, Australia and New Zealand wish to be secure in the Pacific, they must not ignore any large question of international politics merely because its *venue* is actually far from their own shores.

To Canada the illustration just given may seem of little account. But has the principle illustrated any less importance for Canada than for the rest of the Empire? Demonstrably not. If Canada has any direct and momentous interest in foreign policy, that interest lies

The British Empire, the League, in the relations of the British Empire with the United States. At present those relations are undergoing a serious strain—on account of what? Not on account of any purely Anglo-American question in which Canada is directly concerned, but on account of British and American policy in the central complex of problems presented by Europe and the Middle East.

The recognition of the Dominions as individual nations in the League of Nations, important advance as it is, has therefore not completely solved the political and constitutional problem by which they are faced. The Dominions are being committed once again by international negotiations in which they take no part. They will be confronted again, sooner or later, by the choice between repudiating their membership in the British Commonwealth or accepting the consequences of action taken single-handed by the British Government. To ignore this dilemma is to walk blindfold towards a precipice.

It follows from this that the machinery of the League of Nations is inadequate by itself as a means to uniting the sense and goodwill of the democracies of the British Commonwealth for the maintenance of peace. The League of Nations is at work as best it can now. The Dominions are members of the League. But the Turkish treaty is nevertheless being negotiated by the British Government without interest or assistance on the part of the Dominion Governments. That simple fact means volumes, and it would be folly to blind ourselves to its significance.

IV.

THE conclusions which we have sought to point in the preceding sections of this article may now be summarised. They are three in number:—

1. The first is a general warning against the assumption—even more widespread in the Dominions than in Great

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Britain—that we have already successfully solved the very difficult political and economic problems bequeathed by the war. This assumption is particularly misleading with regard to finance. Its danger lies not only in the fact that we are still producing too little to balance our expenditure, and therefore living beyond our means ; it lies even more in the critical financial and economic condition of Europe, with whose welfare our own is inextricably intertwined. The purely economic and financial problem is discussed in another article, and we need only direct attention here to its political corollary. The British democracies are all much engrossed in projects of domestic reconstruction, which must entail a heavy strain on our resources, already taxed to the uttermost. A very large number of political authorities assure us that we must concentrate on these domestic problems, because failure to deal with them may precipitate social and industrial trouble of a very serious kind. It is, indeed, difficult to over-rate the importance of such questions as those which are being pressed by the unions of the Triple Alliance in Great Britain—the coal miners, the transport workers, and the railwaymen. There is a wide demand for Government expenditure and Government control on a large and increasing scale. We only ask those who press these demands to look to the state of the world in general as well as to the more familiar situation at home. Nothing is more likely to cause industrial upheavals in the British Empire than a further rise of prices, which may easily be accompanied by a set-back in trade. The whole world is still living beyond its means, and we must seek to strengthen our own financial position by every possible means if we are not to be involved in a period of world-wide depression, misery and unrest.

2. Our second conclusion arises from the set-back of British hopes in the League of Nations and the treaties of peace. The settlement of Europe under the peace treaties is in some parts insecure, and the Allies are clearly

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unable to live up to all their obligations under the Covenant. It is misleading to attribute this state of affairs solely to financial improvidence or to the refusal of the United States to accept the Peace of Versailles. Both these factors in the situation are symptoms rather than causes, and they are due to the fact that the Peace of Versailles and the Covenant of the League of Nations overlooked the practical conditions of European reconstruction and overstepped the limits of international partnership. The course of events since the signature of peace has shown that national sentiment is too strong to accept the limitations imposed upon it by the Covenant. The reservations of the American Senate in this respect are only a plain statement of views and feelings shared in reality by all the other signatories of the peace. We ourselves, for instance, have undertaken obligations in the Covenant which those who need our support may interpret more literally than we do ourselves. This is an equivocal position. While the main lines of the Peace are sound, the Covenant is both too vague and too precise. In principle the signatories combine for joint action on an imposing scale ; in practice their national freedom of action is left intact. The American Senate has stated in plain English that, so far as the United States is concerned, national freedom of action is not in any way to be camouflaged or compromised. The British Empire should state its own position in equally clear terms.

3. Our third conclusion deals with the relation between the League of Nations and the British Commonwealth. The recognition of the British Dominions as individual members of the League has not only committed them to obligations far larger than their democracies realise or will be willing to discharge ; it has also obscured the fact that our Imperial relations, in default of some better machinery for Imperial co-operation than the League itself presents, are slipping back into the very vice of centralisation which we all wish to correct. The attitude of the British Dominions towards co-operation within the British

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Commonwealth is exactly parallel to the attitude of foreign nations to co-operation within the League. In both cases the fear of impairing national independence is stronger than the desire for united action in pursuit of common aims ; and in the British Empire the fear of centralisation has been such that it has led the Dominions to undertake unawares a series of responsibilities towards foreign States far greater than they are willing to undertake towards Great Britain and the British Commonwealth. While insisting, moreover, on the forms of national independence, they are missing the substance of national responsibility in foreign affairs. Great Britain continues, of necessity, to deal unaided and unadvised with broad questions of international policy in which the Dominions are vitally concerned. The Dominions are being bound by decisions in which they take no present interest, and there is no available means for securing united and representative action on behalf of the whole British Empire in world-affairs. Yet the unity of the British Commonwealth is essential to the influence of the League of Nations for order and goodwill, and its example will set the rate of progress in international action for decades to come. If the British nations, with all their ties of interest and sentiment, cannot act together in world-affairs, it is not likely that foreign nations, deeply divided by history, by temperament, by forms of government, by national outlook, and by divergent aims, will be able to succeed where the British nations have failed.

To what course of action do these conclusions point ?

They point in the first place to revision of our obligations under the League. We are at present pledged to guarantees of territorial arrangements in Europe which may be challenged at any time by forces too powerful for diplomatic control, and it is becoming evident that in no part of the Empire would public opinion sanction our active interference in the local disputes which may ensue. The Polish corridor to Danzig is a case in point. The local territorial

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problem does not engage our interest, and British democracy would not be moved to action by it unless roused by some unmistakeable challenge to international faith and right. If the United States had accepted the obligations which President Wilson approved in signing the Covenant, the situation would have been different, for the combined moral and material influence of the British Empire and the United States would have presented a serious obstacle to breaches of the European settlement in any form. The American Senate has, however, made it perfectly plain that the obligations embodied in the Covenant go much beyond the responsibilities which American opinion is prepared to undertake, and we cannot honestly pretend that our own democracies will be willing in practice to go any further than the democracy of the United States. Our proper course is to revise and restate our position towards the League in accordance with these facts.

The public opinion which has made itself manifest in the United States in this connection is not very different in reality from ours ; and ours may be stated broadly in two sentences. First, we wish to do our utmost to guarantee peace, liberty and law throughout the world without committing ourselves to quixotic obligations to foreign States. Second, we wish to assist and develop the simpler mechanism of international dealing embodied in the League without mortgaging our freedom of action and judgment under an international Covenant. Our policy towards the League should therefore be revised on the following guiding lines :—

1. We should state definitely that our action within the League will be governed solely by our own judgment of every situation as it arises, and we must undertake no general obligations which we may not be able or willing, when the test comes, to discharge.

2. We must in no case commit ourselves to responsibilities which we cannot discharge to the full with our

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own resources, independent of assistance from any foreign Power.

3. We must definitely denounce the idea that the League may normally enforce its opinions by military or economic pressure on recalcitrant States. It exists to bring principals together for open discussion of international difficulties, to extend and develop the mechanism and habit of international co-operation, and to establish an atmosphere in which international controversies may be settled with fairness and goodwill. These are the essential limits of international action in the present state of national sentiment throughout the world, unless and until the conscience of the nations is once more challenged by some flagrant violation of international right.

The important thing is to enable the League of Nations to make a reasonable start with the co-operation of the United States. With the less ambitious objects defined above it will sooner or later secure the whole-hearted support of American opinion,* and it will begin its work with far greater prospects of success than under a Covenant to which no Power is really able or willing to subordinate either its national opinion or its essential interests.

So much for the revision of our obligations towards the League. It is not the only practical step to which our conclusions point, for even more important, if those conclusions are sound, is the maintenance of British unity of action in international affairs. We have seen that the League cannot itself take the place of some such mechanism as the Imperial War Cabinet, which provided for continuous consultation and co-operation, not only in the war, but during the negotiation of peace. The influence of the League of Nations upon British Imperial relations has for the moment been misleading and dangerous. In form, it has given the Dominions a new national status, recognised by all the signatories of the Covenant, though qualified in one important particular by a reservation of

* See *Note D.* at the end of this article.

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the United States.* The danger of this status is that, without some adequate organ for united British action in world affairs, it must, in the long run, prove either separatist in character or else entirely formal and illusory. For the present it is—by the self-chosen policy of the Dominion Governments—illusory. Those Governments are appending their signatures to treaties in the negotiation of which they have taken absolutely no part, and they are leaving decisions which must gravely affect their future in the unaided and overladen hands of the British Government. It is only a question of time before this situation leads to an incident of some kind which will provoke the bitterest recrimination and controversy. If the critical diplomacy which led up to our declaration of war on Germany in 1914 has taught us one lesson above all others, that lesson is that the foreign policy of the British Empire cannot be democratic and representative in any adequate degree unless some means are found for continuous consultation and co-operation by Ministers responsible to all the British Parliaments. Yet the moral of 1914 is being ignored. Content with a formal status in the partnership of nations, the Dominions have forced the old measure of responsibility upon Downing Street, which has to act alone for the whole Empire because there is once again no adequate mechanism for Imperial co-operation in foreign affairs, and action of some kind cannot be postponed indefinitely.

The road to closer co-operation is not at present clear, but in due course it must be found. The democracies of the Empire have yet to realise what the present situation means. The issue is in their hands, and time is necessary for the realities of their present equivocal status to sink into their minds. A constitutional conference will be necessary in the next few years in order to decide whether or not the British Commonwealth is to have the means of united influence and action in safeguarding the peace and order of the world. In the meantime it is the duty of

* See Reservation XIV. at the end of this article.

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good citizens in all parts of the Commonwealth to look the situation in the face and think out its implications for themselves.

Note A.

The greater part of the preceding article was written before the publication of Lord Grey of Fallodon's appeal for a better understanding of the American attitude towards the Covenant. The following passage from his letter is particularly apposite :—

There is in the United States a real conservative feeling for traditions, and one of those traditions, consecrated by the advice of Washington, is to abstain from foreign, and particularly from European, entanglements. Even for nations which have been used to European alliances the League of Nations is felt to be something of a new departure. This is still more true for the United States, which has hitherto held aloof from all outside alliances. For the League of Nations is not merely a plunge into the unknown, but a plunge into something which its historical advice and tradition have hitherto positively disapproved. It does not say that it will not make this new departure. It recognises that world conditions have changed, but it desires time to consider, to feel its way, and to act with caution. Hence this desire for some qualification and reservation.—Lord Grey of Fallodon in *The Times* of January 31.

Note B.

Reservations of the United States to the Treaty of Peace with Germany as they stood at the end of 1919.

PREAMBLE.—That the Senate advise and consent to the ratification of the Treaty of Peace with Germany, concluded at Versailles on the 28th June, 1919, subject to the following reservations, understandings and interpretations, which shall be made a part of the instrument of ratification, which ratification is not to take effect or bind the United States until said reservations and understandings adopted by the Senate have been accepted by an exchange of notes as a part and condition of said resolution of ratification by at least three of the four principal Allied and Associated Powers, to wit : Great Britain, France, Italy and Japan.

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1. The United States so understands and construes Article I that in case of notice of withdrawal from the League of Nations, as provided in said Article, the United States shall be the sole judge as to whether all its international obligations and all its obligations under the said Covenant have been fulfilled, and notice of withdrawal by the United States may be given by a concurrent resolution of the Congress of the United States.

2. The United States assumes no obligation to preserve the territorial integrity or political independence of any other country or to interfere in controversies between nations—whether members of the League or not—under the provisions of Article 10, or to employ the military or naval forces of the United States under any article of the Treaty for any purpose, unless in any particular case the Congress, which, under the Constitution, has the sole power to declare war or authorise the employment of the military or naval forces of the United States, shall by act or joint resolution so provide.

3. No mandate shall be accepted by the United States under Article 22, Part I, or any other provision of the Treaty of Peace with Germany, except by action of the Congress of the United States.

4. The United States reserves to itself exclusively the right to decide what questions are within its domestic jurisdiction, and declares that all domestic and political questions relating wholly or in part to its internal affairs, including immigration, labour, coast-wise traffic, the tariff, commerce, the suppression of traffic of women and children and in opium and other dangerous drugs, and all other domestic questions are solely within the jurisdiction of the United States and are not under this Treaty to be submitted in any way either to arbitration or to the consideration of the Council or of the Assembly of the League of Nations or any agency thereof, or to the decision or recommendation of any other Power.

5. The United States will not submit to arbitration or to inquiry by the Assembly or by the Council of the League of Nations provided for in said Treaty of Peace any questions which in the judgment of the United States depend upon or relate to its long established policy commonly known as the Monroe doctrine; said doctrine to be interpreted by the United States alone, and is hereby declared to be wholly outside the jurisdiction of said League of Nations and entirely unaffected by any provision contained in the said Treaty of Peace with Germany.

6. The United States withholds its assent to Articles 156, 157 and 158, and reserves full liberty of action with respect to any controversy which may arise under said articles between the Republic of China and the Empire of Japan.

7. The Congress of the United States will provide by law for the appointment of the representatives of the United States in the Assembly and the Council of the League of Nations, and may in

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its discretion provide for the participation of the United States in any commission, committee, tribunal, court, council, or conference, or in the selection of any members thereof, and for the appointment of members of said commissions, committees, tribunals, courts, councils, or conferences, or any other representatives under the Treaty of Peace, or in carrying out its provisions; and until such participation and appointment have been so provided for and the powers and duties of such representatives so defined, no person shall represent the United States under either said League of Nations or the Treaty of Peace with Germany or be authorised to perform any act for or on behalf of the United States thereunder, and no citizen of the United States shall be selected or appointed as a member of said commissions, committees, tribunals, courts, councils, or conferences, except with the approval of the Senate of the United States.

8. The United States understands that the Reparation Commission will regulate or interfere with exports from the United States to Germany, or from Germany to the United States, only when the United States by act or joint resolution of Congress approves such regulation or interference.

9. The United States shall not be obligated to contribute to any expenses of the League of Nations, or of the secretariat or of any commission, or committee, or conference, or other agency, organised under the League of Nations or under the Treaty, or for the purpose of carrying out the Treaty provisions, unless and until an appropriation of funds available for such expenses shall have been made by the Congress of the United States.

10. If the United States shall at any time adopt any plan for the limitation of armaments proposed by the Council of the League of Nations under the provisions of Article 8, it reserves the right to increase such armaments without the consent of the Council whenever the United States is threatened with invasion or engaged in war.

11. The United States reserves the right to permit, in its discretion, the nationals of a Covenant-breaking State, as defined in Article 16 of the Covenant of the League of Nations, residing within the United States or in countries other than that violating said Article 16, to continue their commercial, financial, and personal relations with the nationals of the United States.

12. Nothing in Articles 296, 297 or in any of the annexes thereto, or in any other article, section or annex of the Treaty of Peace with Germany shall, as against citizens of the United States, be taken to mean any confirmation, ratification, or approval of any act otherwise illegal or in contravention of the rights of citizens of the United States.

13. The United States withholds its assent to Part XIII. (Articles 387 to 427 inclusive) unless Congress by act or joint resolution shall

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hereafter make provision for representation in the organisation established by said Part XIII., and in such event participation of the United States will be governed by and conditional on the provisions of such act or joint resolution.

14. The United States assumes no obligation to be bound by any election, decision, report, or finding of the Council or Assembly in which any member of the League and its self-governing dominions, colonies, or parts of the Empire in the aggregate have cast more than one vote, and assumes no obligation to be bound by any decision, report or finding of the Council or Assembly arising out of any dispute between the United States and any member of the League if such member or any self-governing dominion, colony, empire,^{or} or part of empire united with it politically has voted.

Note C.

It may be noted that the League of Nations at its sitting in London on February 13th, decided to admit Switzerland as an original member of the League without demanding her full adhesion to the Covenant. The reasons for this, which are undoubtedly strong, arose out of Switzerland's position as a neutral, and were therefore exceptional; but the precedent created is significant.

The text of the resolution admitting Switzerland is interesting. The operative passages are as follows :—

The Council of the League of Nations, while affirming that the conception of neutrality of members of the League is incompatible with the principle that all members will be obliged to co-operate in enforcing respect for their engagements, recognises that Switzerland is in a unique position. . . The members of the League of Nations are entitled to expect that the Swiss people will not stand aside when the high principles of the League have to be defended. It is in this sense that the Council of the League has taken note of the declaration made by the Swiss Government . . . in accordance with which Switzerland recognises and proclaims the duties of solidarity which membership of the League of Nations imposes upon her, including therein the duty of co-operating in such commercial and financial measures as may be demanded by the League of Nations against a Covenant-breaking State, and is prepared to make every sacrifice to defend her own territory under every circum-

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stance, even during operations undertaken by the League of Nations, but will not be obliged to take part in any military action or to allow the passage of foreign troops or the preparation of military operations within her territory.

Note D.

Lord Grey lends his great authority to the same view of American feeling at the present moment. He writes as follows on the subject in the letter quoted above :—

In Great Britain and the Allied countries there is naturally impatience and disappointment at the delay of the United States in ratifying the Peace Treaty and the Covenant of the League of Nations. It is, perhaps, not so generally recognised here that there is also great impatience and disappointment in the United States. Nowhere is the impasse caused by the deadlock between the President and the Senate more truly regretted than in the United States, where there is a strong and even urgent desire in public opinion to see a way out of that impasse found which will be both honourable to the United States and helpful to the world.—Lord Grey of Fallodon in *The Times* of January 31.

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IN a general way everyone is aware of the very grave—many think desperate—economic and financial state of Europe. The disastrous effects of so prolonged and exhausting a war, which were largely hidden from the people of this country, at any rate in the course of the struggle itself, are now gradually making themselves manifest ; and the end is not yet, for the complications of this universal after-war economic disease have by no means reached their crisis. Meanwhile our comparative comfort in this country in no small degree blinds us to the suffering and privation which are so widespread on the Continent ; and trade at home and to other continents is good enough to make our manufacturers feel somewhat independent of the necessity to export to Europe. Nevertheless, the financial and economic crisis will continue to render the European horizon darker and darker, and it is our duty to ask whether there is any remedy to Europe's ills, or even any palliative, in the form of some closer and more active international co-operation than hitherto. It is a very common supposition that an ample supply of international credit is the proper remedy. In the present article this supposition will be examined, and for the purpose of putting it in its proper setting and proportion it is necessary to take rather a wide view, and perhaps give expression to what may seem a good many platitudes.

Broadly speaking, the war has produced in all countries—certainly in all belligerent countries—the same economic effects, and we find, therefore, that, with local variations

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and with greater or less intensity, similar troubles affect all European nations. Their causes may roughly be classified as economic, political and psychological.

The economic causes are sufficiently obvious, and only a few of them need be briefly mentioned. The vast loss of European capital, both fixed and circulating, is one of the most serious evils. The results are felt most acutely in the very serious depreciation of means of transportation, in lack of houses, in a great dearth of raw materials and stocks of all kind, particularly of coal. It is important to note that whatever foreign credit is provided, the replacement of this capital is at best a matter of time. It will be some time, for instance, before the railways, ports and other means of transportation can recover their efficiency.

In the second place, the enormous financial demands of the war have entirely overstrained the currency systems of Europe. In the case of some countries currency depreciation is mainly due to the internal requirements of the Government, which have been satisfied by the printing of vast quantities of paper money; in other cases a powerful contributory factor has been the vast excess of imports over exports, leading to a depreciation of the exchanges. But whatever the immediate cause, there can be no doubt that the chaos of European currencies is by far the most menacing symptom of the present day. The constant depreciation, the constant fluctuation of the standard of value, renders all industry and trade mere speculation, drives us back, first in international and then in internal transactions, to the primitive method of barter, and renders impossible the highly complex and delicate financial and industrial system of pre-war days. If these conditions are allowed to develop, the population of Europe, brought into being in such huge numbers in the last forty years by the intensive development of modern means of wealth-production, is bound to suffer not merely a serious deterioration in the standard of living, but actually a considerable diminution in numbers, in order to restore the equilibrium between

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population and production. It is unnecessary, however, to develop all the grave consequences of currency depreciation. Its effect, if it is continued far enough, must be almost to disintegrate a modern highly developed industrial society, to destroy its past savings, and to reduce it to ruin and despair. To secure some stability of currency conditions is therefore imperative. On the other hand, it is more than doubtful if the time is yet reached when any joint international scheme of reform, which, if the gold standard is to be generally retained, will almost certainly be necessary later, can be undertaken. A stable currency seems impossible for any country whose foreign trade still shows an enormous adverse balance, and whose budget makes no pretence of balancing its receipts and expenditure. To be able to maintain a sound currency a country must pay its way in the world. Therefore, from the point of view of currency, as of everything else, the productive process must first be set going again. Just as serious currency depreciation diminishes production, both industrial and agricultural, so a restoration or an increase of production is the only foundation for a return to sound currency, as indeed it is the foundation of taxation. We must deal first with the basic problem of restoring the cycle of production and exchange, though hand in hand should, of course, go an insistence on proper taxation, on the imperative necessity of the various Governments balancing their budgets, and on some control over the too free creation of credit.

A third economic difficulty facing many of the belligerent countries is that, even if they are ready to export, they have lost their foreign markets; their overseas trade is gone, and others have taken their place. New connections and new trades must be developed, and time is required for this. A supply of credit alone will not bring old markets back.

A fourth cause of troubles, of great importance, is the continuance of Government control over trade and industry

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—including price fixing, nationalisation projects, socialisation of industry, and so forth. We know the very serious effects in this country, but they are not less so on the Continent. Many Governments seem to be getting their countries into a most hopeless tangle by keeping prices lower than the depreciation of their currency justifies. They check production, increase Government expenditure, and with it the paper currency, and continue a vicious circle which must ultimately end in disaster. Interference with ordinary economic laws produces, indeed, the most widespread and unexpected consequences; and whether it is the rent of the houses, the price of coal or of butter, or anything else, almost at any cost we should re-establish freedom. But with present socialistic tendencies in Europe whether we shall do so seems doubtful. Indeed, the probable exchange blockade of Europe may drive us all still more into the arms of Governments again. Huge nationalisation projects stand condemned on this ground alone.

Then again, in the case of our Allies, France and Italy, the very absorption of all their national energies in war has landed them in a serious difficulty, in which we too, in a minor degree, find ourselves. In order that the whole of their man-power and all their industrial forces might be applied to war purposes we kept them in a kind of hot-house atmosphere, and provided them on credit with food and all the other materials they had to have, so that their economic development took a lopsided form. They came to rely on credit for most of their imports. When these and their war industry both came to a sudden end, they suffered like hothouse plants when the steam heat is turned off. They cannot adjust themselves at once to their new environment. The recovery of equilibrium cannot, indeed, but take some years. Both the people of the United States and we, too, should remember that these countries find themselves in this plight because they were called on for our sakes as well as their own to devote all

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and more than all their normal economic strength to the war. This argument should have weight in the future consideration both of international indebtedness and of the grant of credit.

If we turn our eyes from economic to political Europe there is nothing to encourage us. Nothing was more depressing to anyone who spent some months in Paris during the spring than the complete absence of any generous or even sane outlook on future international relations. The war seemed merely to have intensified tenfold the mutual dislike which existed before. We hated our enemies and, of course, they hated us ; most of the Allies seemed to hate one another ; above all, the small nations which had just emerged hated one another with an even more bitter intensity. At that time, at any rate, they clamoured for credit in order to buy more high explosives and machine-guns rather than for the restoration of industry. Was it not folly, one thought, to lend such countries money ? They had no capacity or experience for governing, and would certainly waste it. Worse still, what chance was there for currency or any other economic reform when they were spending on armaments and plans for international fratricide far more than they could possibly raise by taxation or by any other means than the printing press ? It is useless to talk of the economic regeneration of Europe in face of this prevailing international hostility and mutual fear. But can we, who should know better, blame them, when we are responsible for the Reparation Chapter of the Peace Treaty ?

Lastly, we have to add to the economic and political troubles of Europe the profound psychological disturbance of the war which so seriously affects any rapid economic recovery. A reflective observer of modern industrial society is at every turn forcibly reminded of Samuel Butler's famous satire. The Erewhonians of a former age, finding that man was being enslaved by the machines he had constructed, revolted and, at the cost of great suffering

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and impoverishment, destroyed every machine in the land, and made their construction in future an offence punishable by death. But while the Erewhonians revolted, modern industrial man has succumbed. Our modern millions are enslaved by the great machine of modern civilisation by means of which alone they have been brought into the world, and they can only keep themselves alive by working it. Yet even before the war they were revolting against it, and the ferment of the war has immensely sharpened their hostility. Great as have been abuses of the capitalistic system, it is doubtful whether any other system can free itself from the soulless and monotonous character of modern industrial life, which is at the bottom of nearly all the unrest, and more doubtful still whether it can produce wealth at the same rate. It is ominous, therefore, that at a time when greater saving and greater production are essential to our recuperation, the great mass of workers in all European countries, resenting bitterly the profiteering which inevitably arises from existing conditions, should be dimly contemplating the overthrow of our whole economic structure. So far are they from realising that their very life depends on working it at full blast that they believe there exists even now in the world great stores of ready-made wealth which they ought to and can secure if they are only insistent enough and if they can utilise the machinery of the State to extract it from its present owners. In consequence, all over Europe, at a moment when Government expenditure should be reduced to a minimum, clamorous demands for the extension in every sphere of Government activities are pressed forward. Government expenditure thus bounds up, and, since the limits of taxation and loans are reached, further currency depreciation and a further approach towards the abyss are the result.

Consider some of the results of this weltering economic, political and psychological chaos. Where all three influences, and particularly the psychological, have had the

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fullest play—namely, in Russia—they have produced more or less complete ruin, notwithstanding that Russia can live for years through chaos which would annihilate such industrial States as England, Belgium or Germany in a few months. Coming further east, we find the same influences reducing Austria to such a position that she is beyond any ordinary help through the provision of credit, and is now merely the recipient of charity. Germany's position appears to get worse, not better. Though her head is still above water, she is farther down the road to ruin than France or Italy. She, too, has reached the point when assistance through ordinary financial and commercial channels is becoming more and more difficult, if not impossible. The continued depreciation of her currency is due partly to internal exhaustion, partly to the necessity she is under to meet her maturing obligations abroad and to make at any cost purchases of raw materials and food. She has to sell marks down to any figure to fulfil these two latter requirements. The consequent collapse in her exchange leads to the peculiar position that internally her currency is still of considerably greater value than externally, with the result that absolutely necessary imports by the Government must either be sold at a price too high for the public to pay or that price must be reduced by subsidies which either must break the taxpayers' back or be met by increased paper issues. But, of course, the tendency must be for internal prices to rise further to the level of the exchange, with the necessary result of further inflation. This process cannot continue indefinitely without Germany's currency ultimately losing all value. When once her people have abandoned all confidence in their currency it is difficult to foresee the consequences. As Mr. Hawtrey has recently shown in his able book, *France*, in a similar position a hundred years ago, imported great quantities of gold to replace the *assignats*. But could Germany do that? And if not, what workable alternative has she but to create a new paper standard, which might

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go the same way as the last ? It is not to our interests to let Germany fall into absolute chaos. Whatever we might be able to do, Continental Europe cannot get on without Germany, and her entire collapse would bring disaster to Europe. Her present Government, which we should support if we do not want to see the reactionaries or Bolsheviks in power, seems to be doing its best to make both ends meet, and heavy taxation is being imposed. But her credit is too depreciated and her future too uncertain for her primary needs in the way of raw material to be met by ordinary banking credit. The risks are too great both for importers and exporters.

The French and Italian situation is not yet so desperate as the German. Their exchanges have not yet reached anything like so tremendous a depreciation, and there are signs of recovery in their export trade, particularly in Italy's case ; but their future is far from rosy. It is quite impossible for them to continue importing on the scale they are doing now. Many people do not recognise that a year ago these countries were able to obtain much more credit than they can to-day. In the last year both London and New York have advanced them very considerable sums through ordinary banking and private channels. The most recent National City Bank circular states that " the present volume of trade can be accounted for only upon the theory that individual credits have been granted upon a larger scale than is generally known," and that " there is much evidence to confirm this opinion." But this cannot continue indefinitely. Most of these credits cannot be paid off, except by renewals of some sort or by raising long loans in foreign countries, the public response to which is doubtful. It will be difficult in these circumstances to secure fresh credits. There seems no alternative, therefore, between an enormous—perhaps impossible—decrease in imports from overseas or a collapse of the exchanges, nor any reason, indeed, why if the situation is left to develop itself the French and Italian situation should not

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work out in more or less the same way as the German is now doing.

The statistics published by the Supreme Economic Council show that between January and the end of September, 1919, French imports exceeded exports by £538,000,000, and between January and October, 1919, Italian imports exceeded exports by £390,000,000. Their invisible exports have to be set against these imports, but it is doubtful if they can be very great. There are signs of improvement, but, in the case of France at any rate, they are not very striking. Adverse balances of these dimensions could not, and should not, be corrected by credits. A collapse of the French and Italian, as well as of the German, exchange would, of course, very seriously affect all the smaller nations of Europe as well as ourselves. Our exchange is being depressed now because of European nations meeting their obligations in the United States through London, and, as long as these nations have any sterling they can so use, must continue to be depressed. It is possible that all the big Continental exchanges might well fall to a point at which imports, at any rate from the United States, might become impossible. Yet Mr. Hoover estimates that 100,000,000 Europeans live on imports, which they used to obtain by exchanging their manufactured exports for them. In imagining ourselves the straits to which Europe might be reduced, we should not consider that any comparisons with former ages have much value. The European population have never before been dependent as they are now on the smooth working of the great world-wide industrial and financial machine.

What, then, ought to be done? Can anything much be done? Is there any sign that anything will be done? Should we do well to follow the advice given by Mr. Keynes in his brilliant book, and do nothing till we have got rid as a start of every existing Government in Europe? Or is Sir George Paish right, and should Europe borrow

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\$7,000,000,000—or was it £7,000,000,000?—from the United States? Is there in reality any firm basis at all yet for international co-operation outside such normal commercial and financial transactions as can still take place? Does not external Government assistance, or even the belief that such assistance is coming, merely breed idleness and want of enterprise? Is there anything much worse than the Government control which follows Government credits? Even if there are nations to lend, what, it may well be asked, is the use of lending money to countries when the people will not work and when their still remaining resources are being squandered by constant issues of paper currency? One might as well pour it down a sink. Moreover, the external debt of most of these nations is already far greater than they can properly bear. Is it any remedy to increase it still further by borrowing more? Lastly, is it not imperative in face of such figures as the French and Italian just quoted to break the fatal habit of relying for imports on credit?

Clearly the problems before us are not so easy as Sir George Paish and his friends would seem to think. In fact, the granting of easy credit to Europe and nothing else would be like curing a drunkard by giving him more to drink. We may kill him at once if we cut off his drink altogether, but if we go on giving him as much as he wants he will certainly die fairly soon anyway. It is not by easy credit-taking that the European nations can establish their equilibrium, but by the very opposite—namely, by the most painful efforts at readjustment, by diminishing their consumption of imports to the very lowest point, by buying from countries who can afford to sell to them, by getting their imports from fellow-sufferers in distress, food from Russia and Roumania, manufactures from Germany, and so on, and by taking advantage of the depreciated exchanges to increase their exports, so far as they can, outside Europe. It is essential that the real economic burden should weigh heavily on each individual. It is only by his efforts and

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sacrifices that the evils we are all suffering from can be remedied. An easy supply of commodities on credit, especially if coupled with increased purchasing power from increased credit and currency, will merely confirm his optimism and his extravagance and make the evil day more evil when at last it comes. Moreover, most of our troubles cannot be cured by credit. Except in so far as it provides essential articles not procurable internally, credit cannot restore the railway systems or recover lost foreign markets. And neither credit nor anything else is of value, if fighting one another is to be the chief industry of European nations, or if workmen will not work. Moreover, if further inflation of credit and currency constantly increases the public's purchasing power, credit might do actual harm in increasing instead of diminishing unnecessary imports. Such credit as can be granted must be for the purpose of increasing exports and not for internal consumption. It must be conditional on drastic internal reforms. Most countries have got to face the most disagreeable tasks at once. They are heading straight for bankruptcy unless they balance their budgets, limit their currency issues, reduce by taxation the abnormal purchasing power in the hands of their publics, and decrease consumption. The grant of credit should not be made to enable them to evade these disagreeable reforms, but, on the contrary, should be conditional on their carrying them through. Otherwise matters will merely be made worse. French credit, for instance, has suffered severely from the reluctance of France to tax herself. Public sentiment abroad rightly judges that it is useless to help her until she helps herself. The extent to which she has suffered abroad by her policy is measured by the almost complete fiasco of her recent offer of Treasury Bills in London. Mr. Lloyd George has promised her a loan, but its success depends on the British public, and they will certainly not subscribe until it is absolutely clear that the French nation mean to stand up to their burden. When they do this—as no doubt they will—it will become

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far easier to help her to face the very serious problem of balancing her foreign trade.

Let us admit, then, that we all of us depend in the main on ourselves and on the efforts of each individual citizen, and that he will be moved to the right course, not by making things easy for him, but by making them hard, as they must be. Europe must return to political sanity, must renounce its national hatreds, must abandon its fantastic dreams, must tax itself, live hard, and rely as far as may be on its own resources.

It was to lay stress on these necessities that an international memorial was recently addressed by representative bankers and others in each country to the Governments of the United Kingdom, the United States, France, Holland, Switzerland, Sweden, Norway and Denmark. That memorial pointed out that—

The war has left to conqueror and conquered alike the problem of finding means effectively to arrest and counteract the continuous growth in the volume of outstanding money and of Government obligations, and, its concomitant, the constant increase of prices. A decrease of excessive consumption and an increase of production and taxation are recognised as the most hopeful—if not the only—remedies. Unless they are promptly applied, the depreciation of money, it is to be feared, will continue, wiping out the savings of the past and leading to a gradual but persistent spreading of bankruptcy and anarchy in Europe.

There can be no social or economic future for any country which adopts a permanent policy of meeting its current expenditure by a continuous inflation of its circulation and by increasing its interest-bearing debts without a corresponding increase of its tangible assets. In practice every country will have to be treated after careful study and with due regard to its individual conditions and requirements. No country, however, is deserving of credit, nor can it be considered a solvent debtor, whose obligations we may treat as items of actual value in formulating our plans for the future, that will not or cannot bring its current expenditure within the compass of its receipts from taxation and other regular income. This principle must be clearly brought home to the peoples of all countries; for it will be impossible otherwise to arouse them from a dream of false hopes and illusions to the recognition of hard facts.

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The memorialists further pointed out that Europe was short of working capital, and that—

while much can be done through normal banking channels, the working capital needed is too large in amount and is required too quickly for such channels to be adequate. They are of opinion therefore that a more comprehensive scheme is necessary. It is not a question of affording aid only to a single country, or even a single group of countries which were allied in the war. The interests of the whole of Europe and indeed of the whole world are at stake.

They stipulated, however, that a first condition of granting any country further assistance should be that the expenditure of the various European countries must be brought within their taxable capacity, and the burdens of indebtedness as between the different nations brought within the limits of endurance. In order that the great problem of saving Europe from collapse should be investigated, the memorialists urged that an international financial conference of the countries chiefly concerned, "which should include the United States, the United Kingdom and the British Dominions, France, Belgium, Italy, Japan, Germany, Austria, the neutral countries of Europe, and the chief exporting countries of South America," should be summoned forthwith. They concluded by the statement that all the information at their disposal convinced them that very critical days for Europe were now imminent, and that no time must be lost if catastrophes were to be averted.

An answer to this memorial has already been given by the Governments of the United States and of Great Britain, and as a result of the reply of the British Government, the Council of the League of Nations has now determined to summon an International Financial Conference. The United States in a Treasury memorandum makes it brutally clear that the United States itself must not be looked to for the grant of further Government or banking credit for Europe. Mr. Carter Glass, the Secretary of the Treasury, lays stress, and proper stress, on the necessity of each European country depending upon the independent

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activity and resourcefulness of its citizens, and upon each individual returning to a normal life of industry and economy. The rectification of the exchanges, now adverse to Europe, lies, in his opinion, primarily in the hands of the European Governments. "Relief would be found," he says, "in disarmament, the resumption of industrial life and activity, the imposition of adequate taxation, and the issue of adequate domestic loans. The American people should not be called upon to finance, and would not, in my opinion, respond to the demand that they should finance the requirements of Europe in so far as they result from failure to take these necessary steps for the rehabilitation of credit. If the people and governments of Europe live within their incomes, increase production as much as possible, and limit their imports to actual necessities, foreign credits to cover adverse balances will most probably be supplied by private investors, and the demand for a resort to such impracticable methods as Government loans and bank credits would cease."

There is very much in the statement of the Secretary of the Treasury with which all bankers and economists would agree. Apart from the inherent evils of Government credit, none of the countries which might be expected to grant credit, particularly the United States, Great Britain and the British Dominions, can be regarded as in a position, if times were normal, to grant large credits, either banking or Government credit. Banking credit is over-extended in all of them, and wants reducing, not increasing. With our own dollar exchange at \$3.35, the cold-blooded advice of the Currency Commission to trade only with countries which can pay cash—in other words, to turn our backs on nearly all Europe—would seem sound common sense, though it would be shortsighted to try to carry it out literally. In the United States there are a good many indications of an overstrained banking situation too. The banks are not in a position to extend long term foreign credit, and it is quite clear from the rates to be earned on foreign securities now—Anglo-French bonds yield nearly 11 per cent.—that

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no self-respecting Government with regard for its credit could raise a loan there direct from the investing public.

The Secretary of the Treasury is embarrassed also by the attitude of Congress, whose assent to any further loans must be obtained. Congress has not shown any decided sympathy with Europe lately or alacrity in helping her. Congress, too, is all on the tack of economy, of no more Government borrowing and so forth, a very sound policy for purely internal reasons. Moreover, we must not in the next year expect any very decided policy from the American executive. President Wilson is ill; it is the year of a Presidential election: and the Government machinery of Washington cannot be running easily. The Secretary of the Treasury in the circumstances very naturally fears even to approach the task of assisting Europe by direct Government advances. His attitude may perhaps be expressed in Hamlet's words:

The time is out of joint :—O cursèd spite
That ever I was born to set it right !

We shall, moreover, not do the United States justice unless we recognise both that she has granted enormous Government credits to Europe since the Armistice and also that she is suffering from a good many of the evils of inflation and financial strain which are plaguing us. It is all very well for us to say that Americans should economise and not speculate and that if they acted prudently their resources would be ample for all needs. That may be so, but Europe is certainly on this subject not in a position to throw stones. On the other hand the memorandum of the United States Treasury, while sound in many respects, takes too little stock of the unprecedented and extreme character of the crisis. True it is that in normal times a depreciated exchange by encouraging exports and discouraging imports brings its own remedy. But this is not so now, when the import of raw materials must first be made in order to make export possible. If no such import is possible, affairs go from bad to worse. Again,

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Europe's unfavourable balance of trade is so huge that an attempt to make her pay her way at once, as Mr. Carter Glass proposes, may mean so great a restriction of imports as to prevent her even getting the food and primary necessities to keep her population alive. Mr. Glass expresses a pious hope that the private investor will do what the Government and the bankers cannot. Permanent investment in foreign loans is the normal method by which one country provides working capital for another and is the one this country followed to a very large extent before the war. But the American investor is not used to foreign loans; speculation is rife in the United States and there is little reason to suppose that he will subscribe to European loans on any terms which can be accepted by Europe.

In one important respect too the United States Treasury appears to be under a serious misapprehension. It interprets the international memorial, to which reference has been made, as contemplating that the United States should be the only lending Government, and that all other European Governments should be recipients of credit from the United States. This, however, was by no means intended. The object of the memorial was to suggest an international conference, at which some plan might be worked out, by which, subject to necessary internal reforms, the importing countries, desperately in need of raw materials, might obtain on credit those raw materials from the exporting countries which possess them in abundance. The United Kingdom and the British Empire in general would certainly be, in these circumstances, required to give and not to receive credit, as would be also certain neutral countries in Europe, the South American exporting countries and others.

The answer of the British Government is more sympathetic. The British Government state that, in their opinion, the picture which the memorial presents of the financial and economic conditions resulting from the war, and of the grave economic and social dangers which, in consequence, confront the whole world, is not

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exaggerated. All the information in their possession convinces them, the Chancellor of the Exchequer states, of the urgency of the problems to which the memorial draws attention. But Mr. Chamberlain goes on to point out that it is doubtful whether the participation of the United States Government in any conference could be secured, and it is obvious that the attitude of that Government must gravely affect the influence and even the utility of such a conference. He accepts, however, the view of the memorialists that such a conference might exercise a powerful influence in securing those measures of internal reform in the countries concerned which would not only be a necessary preliminary to any further assistance by foreign Governments but are equally necessary as a preliminary to any extension of commercial credits. He concludes as follows :—

The situation is so grave that His Majesty's Government are unwilling to omit any act which may help to alleviate it by bringing home to all concerned in this country and elsewhere a true appreciation of the nature and character of the difficulties with which the world is confronted, and which may at the same time indicate the only methods by which these difficulties can be overcome. Under these circumstances His Majesty's Government will be prepared to appoint representatives, if invited to do so by one of the Neutral Countries or by the League of Nations, on being satisfied that the Conference will assume a really representative character.

But the limits within which the co-operation of His Majesty's Government is practical must be clearly understood. They are impressed with the futility of attempts to solve the grave problem of reconstruction by a continuous process of new borrowing, whether in the form of internal loans to cover deficits on current expenditure or in the form of external loans advanced by one Government or another. They have themselves laid down as a cardinal feature of their own policy the cessation of new borrowing by the British Government and the establishment of an adequate sinking fund for the reduction of debt out of the revenue, and they have taken steps to stop inflation of currency. His Majesty's Government have also publicly stated that they are not prepared to grant further advances to other Governments which involve either new borrowings by this country or the taxation of our nationals for the purpose of making loans to the Governments of other countries, and His Majesty's Government cannot, in view of the immense liabilities which this

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country has already assumed in the prosecution of the war, adopt either of these alternatives.

His Majesty's Government have, however, felt it necessary, in fulfilment of what they conceive to be the duty of the United Kingdom, to make a contribution worthy of the traditions of the nation to the reconstruction of Europe, to admit certain particular exceptions to the general principle that loans from Government to Government should cease. They are at the present moment engaged in discussions with the Governments of Canada, the United States of America, France, and certain other countries, including some which did not take part in the war, in regard to the provision of Government credits to Austria and Poland for the supply of foodstuffs and raw materials sufficient to enable those countries to avert famine and restart industrial life. His Majesty's Government felt compelled publicly to state in November last that, however desperate the need, they could not participate in measures of relief unless they were assured of the co-operation of the Government of the United States of America to an extent which would make it certain that this country would not be called upon to incur additional expenditure in the United States of America. The movements of the foreign exchanges since November last emphasise the difficulty with which His Majesty's Government were then confronted. In order, therefore, to avoid any possible misconception, His Majesty's Government desire to make it absolutely clear that, if they were to agree to take part in a Conference such as the Memorialists propose, it would not be with the idea that it was possible for the United Kingdom at this stage to make any considerable addition to its liabilities, and that if the grant of credits in any form were to be recommended by the Conference, His Majesty's Government could not support or take a share in any scheme which involved an addition to the liabilities of the United Kingdom for expenditure in America.

A day or two after the reply of the Chancellor of the Exchequer appeared in the Press, the Council of the League of Nations, taking note of the views of the British Government, determined to invite the nations chiefly concerned in the financial problem to an International Conference. The utility of the Conference will be impaired by the fact that the United States Government will not send representatives. But Europe is bound to consider her own problems, and England, standing half-way between Europe and the New World, has done well to co-operate. An International Conference cannot work a miracle. But it may at least

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bring all the nations concerned to face the real facts, to convince the countries in need of borrowing how little there is to lend, and the countries which have still some power of lending how grave is the state of the would-be borrowers. Out of this may grow a greater spirit of co-operation and mutual assistance. It would be folly, however, to suppose that any Government measures can do very much or can replace private enterprise and self-help. Europe must face the situation. She will have to pass through a time of extreme difficulty, and it is hard to see how the ordinary machinery of credit, which is temporarily breaking down, is to be replaced. Barter, of course, can do something. Possibly institutions to foster barter might be developed to some extent. But modern Europe is too complicated. If she must depend solely on barter, her state is desperate. Other suggestions have been made which deserve consideration. One, for instance, is that a British company or British companies should be formed, say, for the purpose of trading with Austria. As no basis of credit exists in the case of Austria, the raw materials needed cannot be sold to an Austrian company. It is therefore suggested that the British company should form branches in Austria. The goods should be consigned to these branches, and should then be parcelled out among the Austrian manufacturers, say, cotton and wool to the textile and woollen manufacturers, the goods remaining all the time the property of the British company. Ultimately the manufactured article would be sold in some country which had either exports which the British company could buy or a currency which had an exchange value. The Austrian manufacturer would receive a proportion of the manufactured goods as payment to cover his expenses and a commission to represent profit. There seems no reason why a scheme of this kind should not be feasible, at any rate, in the case of certain articles. It has the great advantage of avoiding Government control and of ensuring that imports would not be used simply to increase the consumption of the home population, but in the main for export. Production and saving would

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both be stimulated. The trouble is that it does not eliminate the political risk, and that at present our exporters are making too much profit elsewhere to bother about a difficult scheme like this. Nevertheless, British exporters ought certainly to consider whether some schemes of this character are not feasible, at any rate, for certain countries and certain commodities. It could be tried on a small scale first, so that if successful it could be extended.

The difficulties of the problem are shown by the little use hitherto made of the existing Government scheme for assisting exports to the small countries of Eastern Europe. As is known, £26,000,000 has been set aside for this purpose. The Government take 80 per cent. of the risk, and proper security in some form must be provided. Hitherto little has been done. Either the conditions imposed frighten off the exporter, who prefers his freedom, even if his risk is greater, or else for anyone except large concerns 20 per cent. of the risk is still too much. It is generally the political risk and the possibility of total loss which deters exporters. Nevertheless, either this scheme or some such scheme as that just referred to above is preferable, at any rate for the smaller and more backward countries of Eastern Europe. Apart from all the other strong objections to Government control, the governments of these countries cannot be trusted with large direct credits and with the efficient expenditure of large sums of money for trade and industry. The countries are in the main agricultural, and if their currencies can be brought into some sort of order, there is no reason why, with peace, they should not recuperate quickly. Some international control of their currency systems and the provision of loans for this purpose might be the most effective measure. But until conditions have settled down more it is doubtful if the time is ripe for such steps.

With the great industrial countries of Western Europe the case is different, and their position far more difficult, for their requirements are far greater. It is difficult, indeed, to see how, without the most drastic reductions

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of imports, with the consequent lowering of the standard of life within their countries, they are to win through the next few years. Possibly something may be done by the actual control from this country and the United States, through private enterprise, of large undertakings in the destitute countries; for instance, it might be a profitable business for large interests in this country, in return for obtaining control, to provide the working capital for steel works, railways, or other big undertakings in Central Europe. This is, indeed, a very probable development in the next year or two, though it is difficult to say to what extent it will be carried out, particularly owing to the political instability of Europe. In any case it cannot completely solve the problem. Whichever way we turn, and whatever plans we may lay, the immediate future is obscure.

Certain measures might indeed be taken quickly, and one of the first is to amend the Reparation Settlement. On this question the writer is in general agreement with Mr. Keynes's book. Unless every plan of mutual assistance in Europe is to be quite unworkable, some definite sum which Germany must pay must be fixed upon, she must be left to find the means of paying it, and the Reparation Commission in its present form must be abolished. As to Germany's capacity, Dr. Melchoir, the head of the German Delegation at Versailles, has recently given his opinion:—

Before the war Germany's imports exceeded her exports by Mk. $\frac{1}{2}$ to $1\frac{1}{2}$ milliards yearly, and this was adjusted by the freightage receipts of German ships and the revenue from foreign investments. To-day Germany is denuded of raw materials, food, and fodder, and the trade balance for many years will have to lie even more largely on the import side, but there are no longer freightage receipts and foreign investments to counterbalance. Germany is, therefore, dependent on foreign credit. The raw material credit will, it is hoped, be repaid chiefly by the export of the completed product. The food credits will, however, for the time form a permanent burden. It will, doubtless, be demanded by those providing them that the credits for raw materials and food shall take precedence of the indemnity claims, and to these payments must be added the cost of the army of occupation.

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The German estimates for the current year show an expenditure of Mk. 24·2 milliards, as against a revenue of Mk. 25·3 milliards, leaving a surplus of Mk. 1·1 milliards. To the expenses must be added Mk. 2,659,392,000 for the cost of the army of occupation, which leaves a deficit of over a milliard, irrespective of the indemnity claims. There remains also the question whether the taxes will bring in as much as is allowed for in the estimates, for already the present taxes threaten to drain Germany's life-blood. In these circumstances it is extremely difficult to find a basis on which to calculate Germany's power to pay.

Germany's indemnity must, at present at any rate, consist in the main not of a balance of exchange due to her as a result of a favourable balance of foreign trade, but of actual commodities purchased by the German Government and handed over by it to the Allies—*e.g.*, coal to France and Italy, and so on. To pay for these commodities the German Government must increase its taxation, and the real test of the amount of the indemnity over and above capital assets in the form of ships, securities, etc., such as we can get from her in the next few months, is the absolute upward limit of Germany's taxable capacity.

If, as is undoubtedly the case, we must revise the inflated notions of the Treaty, this country will get comparatively little. This need not trouble us much, since we have in the Treaty included claims which are inadmissible under the armistice terms. It is a matter of honour therefore for us to forgo them. On this question, as on the great European problems in general, it is the duty of bankers and other financial authorities to show the politicians and the public the way to sanity and international goodwill. The financial leaders of all countries, friend and foe alike, are the only people who understand what is happening to the world and the necessity, if our civilisation is not to disappear, of co-operation by all to save it. If the leaders of the present capitalistic system cannot lead, but leave the world to its own ignorance, one cannot wonder if the masses, enraged by the sufferings which they will have to endure, end by overturning it.

THE GROWING RESPONSIBILITY OF LABOUR

INDUSTRIALLY, as well as politically, Great Britain is passing through troublous times. The year 1919 is described in a pamphlet published by the "Industrial League and Council for the Improvement of Relations between Employers and Employed" as a disappointing year in industry. It is, indeed, a serious fact that in the first year after the cessation of hostilities something over 32,000,000 working days were lost through trade disputes, as compared with about 5,000,000 days in the preceding year. Scarcely a week has passed since the armistice was signed without bringing its strike or threat of strikes, and the observer abroad must have received the impression that Great Britain is in a chronic state of turmoil and chaos.

Yet life in Great Britain, industrial, economic, social, religious—in short, in all its departments—goes on, generally, with little outward sign of internal dislocation and instability. From time to time the newspapers announce in big headlines that a fresh "crisis" has arisen in the relations of employers and workpeople in this or that branch of industry, or that "grave trouble" is threatened for the Government and the nation by this or that powerful Labour organisation. Sometimes the trouble comes to a head, and a few thousand men here or a few hundred thousand men there declare a strike. Usually the stoppage lasts only for a day or two. Even before it begins

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the machinery either of the State or of the trade union movement itself is generally in motion to avert it, or, at the worst, to curtail its duration, by means of conciliation. Now and again, as in the case of the ironmoulders' strike, the dispute may be prolonged even for several months in spite of all attempts at settlement, either by the parties directly concerned or by intervention from outside. Occasionally, as in the case of the railway strike, the dispute may interfere appreciably with the comfort or convenience of the whole public, and for a while may monopolise public attention. Yet the milkman continues to deliver the milk and the newsagent's boy brings the newspapers as usual in the morning to the people's doors, and the household refuses to be disorganised. Individual employers give themselves up to lamentations over the inevitable decline and fall of the British Empire. Unthinking but talkative citizens in first-class compartments of suburban trains inveigh angrily against the "Bolshevists," who are supposed to control, if not actually to man, the trade unions. A few employers, avoiding both abject pessimism and thoughtless rage, begin to examine schemes for copartnership or profit-sharing. After every strike there is a new outburst of zeal for "industrial peace," and a more or less earnest groping for a basis on which it may be founded. But nothing happens until the next big trouble arises, and then the process is repeated. And all the time Labour grows steadily in strength and ambition, so that on each demand ensues another and probably a greater, and the country is kept in perpetual ferment.

This is the picture of industrial life in Great Britain to-day as it might appear to a casual visitor. Another view, expressed recently by a fairly acute observer of economic and industrial conditions, was that the British nation was in the position of a household in the Fen district, whose house had been half submerged by the bursting of a river bank. The ground floor was under water, and the family were living on the upper floor, doing their best to

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go through the normal routine of life, but handicapped at every point, and harassed continually by the fear that the lower walls of the house might collapse at any moment. Which of these pictures is correct, or is either of them a true representation of the facts? Is the country simply living from hand to mouth? Is industry—or rather, the Labour element in industry—merely drifting, or is it moving with any conscious purpose towards any definite objective? Is Labour growing only in power and appetite, and is it reckless of responsibility?

Questions such as these are engrossing the minds of many students of industrial affairs, and none but the boldest will give more than a tentative answer. The evidence is conflicting, and it is not easy to separate the essential from the non-essential. Take, for illustration, the alarming analogy of the flooded farmhouse. When a river has overflowed its banks and spread itself over the adjoining land, it is not always possible for a man standing on the fringe of the flood to discover the direction of the stream; the water may appear not to be moving at all or an eddy may give the impression that it is flowing in the opposite direction to its real course. Further, when a fenland river bursts its bank, the water both above and below the break flows to and through it, so that the lower part of the stream actually runs back to meet the upper part at the gap. In such circumstances—and they are, perhaps, not wholly inapplicable to the present financial and industrial circumstances of Great Britain—local and partial observation may easily lead to false conclusions. So it may well be that at the very moment when the country is congratulating itself on having reached the end of a spell of acute industrial trouble, and manufacturers are beginning to hope that Labour has settled down, a fresh crop of trade union demands for higher wages or shorter working hours or a new political requisition from the Labour Party to the Government upsets all calculations and enforces a revision of opinions.

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Subject, however, to the disturbing influence of temporary and fluctuating factors on any complete and final estimate of the industrial position, it is possible to trace in the recurrent commotion of the Labour world certain broad tendencies. Commissions, committees, organisations of various kinds, and public writers and speakers of all shades of political opinion have given to the public a variety of explanations of the causes of that ferment in Labour which is conveniently called "unrest." To enumerate all the causes, fundamental and subsidiary, permanent and temporary, general and special, internal and external, to which the simmering discontent of Labour has been ascribed, would be tedious. Outside the Labour movement itself, few people who have written or talked about the problem have really touched the roots of the unrest. The plain fact is that Labour is restless and at times turbulent because Labour is the only section of the nation which believes that it has anything to gain by restlessness. Employers, whether associated or not, have no inducement to disturb the even course of industry, for disturbance almost invariably means to them a loss of profits. In spite of the fiction which is still half-heartedly taught to young trade unionists, "capital" seldom takes the direct offensive against Labour. Nor have the middle classes, that is to say, the professional, clerical, technical and administrative workers, shown any disposition to make war on any other class. In class warfare they generally suffer more than the belligerents. But Labour is essentially an aggressive force, organised, mobilised and drilled for purposes of attack, and Labour would break all its traditions and stultify itself if it ceased to maintain the offensive against capital. This is an elementary fact; yet it needs to be mentioned, for it is frequently overlooked by critics who see in strikes and strike threats nothing but the signs of waywardness, of a love of quarrelling, or of deliberate malice. Another diagnosis will be found in the following extracts from the Trade Union Memorandum

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attached to the report of the Provisional Committee of the National Industrial Conference of last year :—

The fundamental causes of Labour unrest are to be found rather in the growing determination of Labour to challenge the whole existing structure of capitalist industry than in any of the more special and smaller grievances which come to the surface at any particular time. . . .

It is clear that unless and until the Government is prepared to realise the need for comprehensive reconstruction on a democratic basis, and to formulate a constructive policy leading towards economic democracy, there can be at most no more than a temporary diminution of industrial unrest to be followed inevitably by further waves of constantly growing magnitude. . . .

The changes involved in this reconstruction must, of course, be gradual ; but if unrest is to be prevented from assuming dangerous forms, an adequate assurance must be given immediately to the workers that the whole problem is being taken courageously in hand. . . .

The widest possible extension of public ownership and democratic control of industry is the first necessary condition of the removal of industrial unrest.

The memorandum from which these passages are taken was signed by Mr. Arthur Henderson, Secretary of the Labour Party, and Mr. G. D. H. Cole, Secretary of the Labour Research Department, the Intelligence Branch of the Labour Headquarters Staff. As a statement of what may be described as the intellectual interpretation of Labour ferment, the document could hardly be improved. It is full of well-worn but ill-defined phrases—" economic democracy," " democratic control," and the rest—but it expresses aptly the vague aspirations which actuate most of the official leaders and some of the rank and file of the movement. Not a few of the unofficial leaders—the shop stewards and the avowed rebels, particularly—would no doubt endorse the first of the paragraphs quoted above, in which Labour is represented as resolute for the overthrow of the present industrial system, though they would not agree with the admission that the change must be gradual. But these, even if they are to be found in twos and threes

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in every workshop, and strive to make good their weakness in numbers by tirelessness in effort, do not represent the masses of the workers. Does the average man in the trade union ranks really yearn, as his official leaders pretend to do, or burn, as his unofficial leaders unquestionably do, to overturn "the whole existing structure of capitalist industry," by stages or otherwise? Is it not rather the case that the ordinary trade unionist attaches more importance to an immediate improvement of his conditions of employment, whether it be in wages, hours, methods of working, or security from unemployment, than to the ultimate attainment of theoretical "economic democracy," of which he has the haziest of notions, and his share in which cannot be realised in terms of cash, food, or other necessities of to-day's and to-morrow's life? It must not be supposed that the average man who loyally pays his trade union contribution and his levy to the Labour Party is indifferent to the high aims which Mr. Henderson and Mr. Cole uphold before his eyes; they are the aims and purposes of the brotherhood of Labour, and they are his as much as Mr. Henderson's. It is therefore no reflection on his good faith, as a trade unionist and a supporter of Labour's political programme—it is merely the statement of a natural and patent fact—to say that the length of his working week and the amount of the wages he receives at the end of the week occupy a larger place in his thoughts than any problematical reconstruction of society. When he presses for shorter hours or higher wages, he does it because he wants more leisure or more money, not because he is determined to "challenge the whole existing structure of capitalist industry." It may be arguable that persistence in his demands, and the formulation of new claims as soon as the first are conceded, help to create a situation in which industry will have to choose between destruction and reorganisation; but so far no responsible body of trade unionists has used that argument to justify a claim. On the contrary, all the demands for higher wages put forward

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in the last two or three years by the miners, the railwaymen, the engineers, and other groups of workers have been based on the advance in the cost of living, on the claim of the worker to a higher standard of living, or on both grounds. Similarly, all the demands for shorter working hours have been defended on the ground either that the existing hours were so long as to entail physical exhaustion, or that the worker had a just right to greater leisure for recuperation and recreation, and sometimes on the additional ground that a reduction of hours would contribute to the solution of the unemployment problem by compelling the employer to engage more men in order to maintain his output. In short, so far as the masses of the workers are concerned, the chief cause of unsettlement is not an uncontrollable longing to re-mould the industrial system on the lines of collectivism, guild socialism, or any other 'ism, still less a subtle conspiracy to destroy capitalism by a process of erosion; it is the anxiety of ordinary men to maintain for themselves and their families, in face of constantly rising prices, their pre-war standard of comfort, and, if possible, to improve on it. Economic pressure, or, to put it bluntly, the cost of bread, meat, clothing, and all else that man and his household need, drives trade unionists to use their industrial machinery to restore the balance of prices and wages. The natural desire for betterment in its literal as well as its widest sense impels them to strive for something more than a mere counterpoise. They were encouraged repeatedly during the war by members of the Government, by public men in every walk of life, and by newspapers of every shade of opinion, to believe that the end of the war would be the beginning of a new and brighter era, that all classes of the nation would come out of the furnace purified and ennobled, and that Great Britain would be transformed into a country fit for heroes. In spite of the scoffing of sceptics, tens of thousands of the working people accepted these assurances and worked all the harder for it. The armistice came, but it did not bring peace, even with the

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enemy countries. With Russia it brought intensified warfare. The ordinary working man knew nothing of Russia, and could not follow the march of events there. All he knew, or thought he knew, was that by a dramatic and bloody stroke an autocracy had been swept away and a "dictatorship of the proletariat" had taken its place. To this day the British worker clings tenaciously to the belief that, whatever may be its imperfections and its excesses, and however inapplicable the Soviet system may be to a country such as his own, the revolutionary Government of Russia is the herald of the dawn of democracy. His knowledge of the true state of affairs in Russia is as shadowy as his conception of the true meaning of democracy. But he has so far assimilated the teachings of the doctrinaires and intellectuals of the Labour movement as to believe that he cannot consistently disown proletarianism even when it is bathed in blood. The position, therefore, which confronted the working man last year was this: He found that a suspension of fighting with the Central Powers did not mean a speedy peace with them, that his own Government was directly and indirectly making war on an infant democracy in Russia, that the millennium to which he had looked forward at home was still afar off, that he and his dependents were more and more feeling the pinch of soaring prices, and that other parties in industry and commerce were reaping unprecedented profits out of the pockets of himself and his fellow-consumers. Is it surprising in these circumstances that the removal of the patriotic impulse created by the national emergency, and the reaction from a great physical and mental strain, left the ordinary working man in a state of irritability and nervous tension which was bound to be fatal to all hopes of industrial peace?

Two other factors have to be taken into account in any attempt to understand the conduct of Labour in the troublesome months since the signing of the armistice. One is the fact that, owing to the truce from industrial

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conflict which was declared on the outbreak of war and maintained, nominally at any rate, until towards the end of the war, Labour had, as it were, certain arrears to make up in settling its accounts with capital. The railwaymen's demand for the eight-hour day, formulated before the war, suspended during the war, and renewed immediately after the war, is perhaps the most ready example of these postponed claims. Large bodies of the workers, it is true, materially improved their economic position while the war was in progress, sometimes by the use of the strike, more often automatically by the play of the laws of supply and demand. At the same time, it must be appreciated that when the restraint on the right to strike was relaxed Labour had accumulations of "old scores" sufficient to keep the strike weapon in full use for many months, and, as has been suggested above, Labour was in the right mood to make full use of it. The second fact which it would be a mistake to overlook is that owing to the great accretions to the numerical strength of the trade unions since 1914, the vast progress made towards the consolidation of trade unions by means of amalgamation and federation, and the decided advance towards the welding of the industrial and political Labour forces into a closely-knit, cohesive body, Labour had acquired a broader consciousness of its own power in the State and a completer confidence in its exercise of that power. Thus, both in the industrial and in the political field, Labour immediately after the war had the temper, the occasion, the strength, and the will, as it had never had them before, to proclaim its wants and to secure the satisfaction of them. Naturally there were differences of opinion inside the movement about the methods by which Labour should achieve its aims. There were some who thought that an attempt should be made by smashing tactics to obtain everything at one push, even if the existing structure of society collapsed under the pressure. There were others, and these were in the majority, who held that it would be madness for Labour

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to destroy one social order unless it did so gradually and built up brick by brick a new order in its place. These two sections of thought coincided approximately with the "direct actionists" on the one hand and the advocates of political action on the other, and the former had always the advantage over the latter, in appealing for the support of the rank and file, of ability to demonstrate that the strike was a handier weapon than the ballot box. The profits obtained by the strike might be small, they could argue, but the returns were quick, because Labour had the majority in the industrial arena; but in the political arena, or, more strictly, in the House of Commons, Labour was in a hopeless minority and could not speed up the cumbersome machinery of legislation. The argument was a specious one, and might have been expected to have great weight with Labour in its post-war mood. The disappointment of the high hopes which Labour entertained before the general election of winning several hundreds of seats in Parliament made the ground particularly favourable for the propagators of "direct action." Within two months of the election there were extensive and obviously concerted strikes in Glasgow, Belfast, London, and elsewhere, and the country had to meet the first challenge of the revolutionary element. The strikes, without a single exception, failed; and they owed their failure mainly to the fact that the general mass of Labour kept its head and the national leaders of the trade unions directly concerned dissociated themselves from the outburst. Later in the year the State was confronted with a far more formidable challenge. The miners, or rather, the delegate conference which speaks in the name of the miners, began to coquet with "direct action," and presently involved the Triple Alliance of 1,500,000 miners, railwaymen and transport in the flirtation. The leaders of the Alliance even went so far as to draw up a ballot paper in order to collect the opinion of the rank and file of the three bodies on a definite proposal to strike for the enforcement of purely

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political demands. Again, Labour in the mass kept steady, and the Triple Alliance changed its plans. It postponed, and virtually abandoned, the plunge into "direct action," so far at least as the original pretext for it went.

In both of these cases, it is to be noted, Labour as a national force took no part in the challenge to the stability of the State. The national officials of the engineering trade unions involved in the Glasgow-Belfast-London conspiracy not only disavowed the action of the strikers, but took rigorous disciplinary measures in accordance with the rules of the unions against the local officials who led the outbreak. The Triple Alliance leaders, in retracing their steps towards "direct action," frankly confessed that they were influenced by the reflection that the question was one for determination by the whole Labour movement and not by any section of it, however important. Do not these two incidents suggest that Labour is not only more ambitious than it was before the war, and not only more powerful, but more conscious of the responsibility which the possession of great power should entail? The sense of responsibility in the Labour movement will hardly be denied by anyone who watches the development of Labour activities. It is no new phenomenon. It existed before the war, but the events of the war broadened and deepened it, and events after the war have proved its reality. Nearly four years ago its growth was noted in these columns, as the following quotation will show :—

The war may well prove a turning-point in trade union policy and history. When Mr. Tennant, on February 8, 1915, called upon the Labour leaders to help the Government and employers out of a difficulty by "organising the forces of Labour," he was creating a far-reaching precedent, which the successive subsequent consultations of representative labour bodies have confirmed. Difficulties had arisen in the workshops all over the country. Whose business was it to deal with them? On the old theory of what may be called industrial autocracy it was solely the business of the "master" to deal with "his men." On the new theory, now acknowledged

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almost as a matter of course, it is also the business of the leaders of the industrial democracy to which the men belong. The various consultations and conferences that have taken place mark the devolving of a share of the responsibility for the carrying on of the industrial work of the country on to the trade unions and their leaders. How far this development will ultimately go no one can yet say. What is certain, however, is that this acceptance of responsibility by Labour is in the straight line of the British political and industrial tradition.*

The gradual building up of the responsibility of Labour need not here be traced in detail. Labour accepted responsibility to the nation in August, 1914, when it concluded the industrial truce. The Government recognised that responsibility when it opened its ranks to admit members of the Labour Party. Again and again the Government consulted Labour through the medium of the trade unions on questions of national importance, but of peculiar Labour interest. The Whitley scheme, the embodiment of the policy which the Government adopted for the future arrangement of industrial relations, is founded on recognition of the responsibility of Labour. The claim of the Labour Party in the new Parliament of 1919 to be regarded as the official Opposition—"His Majesty's Opposition"—instead of an independent body of members in some such isolated position as that which the Irish Party used to occupy, is a further admission of Labour's present and prospective responsibility. Politically as well as industrially the Labour movement is becoming responsible in proportion as it grows in numbers and influence, and, what is more important, not only the leaders of the movement, but an increasing company of the rank and file are aware of the fact and proud of it.

If this reading of the mind of Labour be correct, does it not explain why the country emerged virtually unscathed from the troublesome first year of "peace"? As was stated at the beginning of this article, the year 1919 was from the industrial point of view, as well as from some others, an

* THE ROUND TABLE, JUNE, 1916, p. 463.

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exceptionally stormy period. Serious disputes arose, and bigger disputes were narrowly averted. Industry was harassed, yet it contrived to absorb upwards of 3,000,000 men who returned from the war, and at the end of the year the foundations of industry were still unshaken by any assault from Labour. The leaders of the Labour Party still believe that the salvation of the wage-earners will only be finally wrought by the supplanting of the "whole existing structure of capitalist industry" and the establishment of "economic democracy"; but, pending the realisation of that ideal, they are tolerably content with such instalments as the Bills for the enforcement of a universal 48-hour week and the fixing of minimum rates of wages for all trades which the Government have produced as the result of last year's National Industrial Conference. Labour, in a sentence, has discovered that there is no short cut to the millennium, and, though it resents bitterly the failure of Ministers to redeem the promises which some of them held out during the war, it has no intention of injuring itself for the sake of spite. Moreover, far-sighted men at the head of the political Labour organisation know that if they are to lead their men to the Government bench within a reasonable time, and if they are to reconstruct society according to their own designs without creating utter chaos, they must enlist at the worst the sympathy, and at the best the active support, of the brain workers or "black-coated middle-classes," whether in industry or outside. It was in order to open its gates to these classes of non-manual workers that the Labour Party, not without some demur on the part of the extremist wing, widened its constitution so as to embrace "all producers by hand or by brain," and it is interesting to note that steps in the direction of the organisation of technical and administrative workers have recently received direct encouragement from some of the most active men at the Labour Party headquarters. Obviously the greater the sense of responsibility which Labour is able to show, the better its chances of

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enrolling what used to be regarded, probably with some justification, as the most conservative section of the community.

In the last issue of *THE ROUND TABLE* an account was given of the origin, progress, and results of the railway strike at the end of last September, and some stress was laid on the share which was taken by the Mediation Committee representative of non-railway unions in bringing the dispute to an end. The *personnel* of that committee included men of moderate views and men whose views, judged by their public utterances, were anything but moderate. When they first went to Downing Street the public belief was that they intended to widen the area of the conflict between the Government and the railwaymen. Events proved that their real purpose was precisely the opposite, and that their one anxiety was to circumscribe the field of battle in order that the dispute might be settled before it was complicated by wider and graver issues. It is worth while in considering present tendencies in the Labour movement to recall the statement which the committee issued on the eve of the settlement, at perhaps the most critical moment of the struggle. In this statement they said :—

A situation of the utmost gravity has arisen in connection with the present railway crisis. Though we are still doing our utmost to keep open the door for negotiation, we feel that as responsible leaders we should be lacking in our duty if we omitted to state our view of the causes leading to the failure for the present of our efforts at conciliation.

These efforts were directed to bringing the Government and the railwaymen's executives together in a renewed attempt to settle the dispute. For the first time in industrial history a responsible body of trade unionists voluntarily undertook the task of mediation. But we regret to say that the Prime Minister and his advisers have adopted what we consider to be an irreconcilable attitude in response to the moderating influences we have brought to bear. . . .

Notwithstanding statements made by and on behalf of the Government, we have satisfied ourselves that the present struggle is the outcome of organised trade union policy to improve wages

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and general economic status, and we are fully convinced that the responsible authorities of the country, in conjunction with the railwaymen's executives, should make yet another effort to settle the dispute, which, if it last much longer, will not only increase the privations and discomforts of the public, but must destroy the whole industry of the country.

A few hours after they signed this statement some of the mediators beguiled the time of waiting in one of the Downing Street corridors by singing the "Red Flag," the battle-hymn of international Socialism. The incident, coupled with the statesmanlike declaration set out above, throws a strong light on the spirit which is in British Labour. It has not weakened in its faith in the accepted tenets of the democratic creed. It desires as strongly as ever to challenge the structure of industry and of society itself. But it has no desire to see reproduced in Great Britain the terrible mistakes and crimes which have been committed in Russia in the name of democracy. It has grasped the fact that Labour and the nation are not one body but two, that the nation is greater than Labour, and that the true interests of Labour are not different from the true interests of the nation. Labour has the national sense, the sense of collective and mutual responsibility. For that reason trade unionists intervened to restore peace between their fellow trade unionists and the trustees of the nation.

The same feeling found expression in another form when the Transport Workers' Federation joined with the National Council of Port Labour Employers in asking for a public court of inquiry to investigate the justice and practicability of their claim to a standard minimum wage for dockers of 16s. a day. The inquiry opened early in January, and the first sitting was notable for a speech by Mr. E. Bevin, organiser for the Federation, which for calm, orderly presentation of facts and arguments could not easily be excelled even by the most practised barrister. Six months before, if the dockers had put forward the same claim, they would soon have followed it by threats of a

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stoppage, and another of the recurrent "Labour Crises" would have been announced. Instead of this, the Transport Workers elected to let the merits of their demand be threshed out in public court, and, as Mr. Bevin said in his opening address, to let the public hear the evidence because it would be the final judge. This, in itself, is a symptom of the temper of Labour which is as striking as it is welcome.

Finally, it is possible to follow the working of the responsible feeling in the mind of Labour through the various stages of the campaign for the nationalisation of the mines. Before this article is published the campaign will possibly have reached the decisive stage at the second Special Trades Union Congress, called to decide what action, if any, should be taken by the trade unions as a whole to "compel" the Government to adopt the so-called Majority Report of the Sankey Commission. To anticipate the decision of the Congress would be folly. But the development of the campaign up to that point is not without some bearing on the present thesis. Nationalisation was associated with wages and hours in the national programme of the Miners' Federation twelve months ago. It was the subject of the second Sankey Inquiry, after the questions of wages and hours had been settled. The miners' representatives on the Commission endorsed, subject to one or two reservations, the recommendations of the Chairman that the Government should at once accept the principle of nationalisation and that they should reorganise the industry that the principle could be brought into full operation three years later. The Government put aside these proposals, and presented a scheme of their own for the future control and management of coal-mining. The merits of the plan need not now be discussed. The miners refused to accept it, and appealed to the Trades Union Congress at Glasgow last September for support in this attitude. The Congress readily gave it, and decided that it should hold a special meeting later in the year to consider what steps should be taken if the Government

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persisted in its attitude. The Government did persist, and the Special Congress met. If Trotsky or Lenin had been able to see the delegates and hear the speeches, he would have telephoned at once for a battalion of Red Guards with machine guns to exterminate so unrevolutionary an assembly. The Congress was told by the chief spokesman of the miners that arrangements had been made for a great campaign, by speech and pamphlet, to arouse the country and to prove to the Government that the demand for nationalisation was a national demand. In order to let this propaganda proceed, the Congress was adjourned until after the reassembling of Parliament for the 1920 session, and the decision on action to "compel" the Government was accordingly deferred. What was the meaning of this second postponement of the "direct action" issue, for that is what the framers of the Glasgow resolution had in mind? Why should the miners, with the help of the Trades Union Congress Committee, the Labour Party Executive, and the Committee of the Co-operative movement, embark on a campaign of platform and pamphlet propaganda on the lines of constitutional political agitation? Can there be any explanation other than that the miners were anxious to carry with them, when they presented their final ultimatum to the Government, as much support as they could derive not only from the rest of the Labour movement but from the general public? That would at least appear to be a legitimate inference from the course adopted by the miners from the moment when they dropped the proposal for "direct action" on other and more general political issues; and, if it be well founded, it confirms the conclusion already drawn from other aspects of trade union and Labour Party activity that the Labour movement of Great Britain is almost as much awake to-day to the responsibilities which it carries as it is alive to the tremendous power which it commands. In that fact lies the best security for the sanity and stability of the country, under whatever Government it may have.

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THE PARIS CONFERENCE AND AFTER

THE Conference at Paris met in the middle of January 1919 and came to an end after a year's work, when its duties were transferred to an Ambassadorial Conference in which Lord Derby is the British representative. It will be useful to state briefly what exactly was achieved by the Conference and to point out what remained to be done by those to whom it is transferring its responsibilities.

The situation in general was as follows :—

The Treaty with Germany had been, after very long and unaccountable delay, not only signed, but ratified, and had come into effect as part of the public law of Europe. The Treaties with Austria and Bulgaria had also been signed, but the further step of ratification had not been taken ; in the case of Austria it is remarkable that, though the Treaty was signed on September 10, four months had apparently been allowed to pass without the necessary steps being taken to accelerate the ratification. This seems a matter to which public attention should be drawn, for innumerable problems of the most urgent importance, affecting the very conditions of existence of a large population, are being held up through this delay. Surely with reasonable foresight it would have been possible to arrange that the Austrian Treaty should come into force at the same time as the German Treaty. The Hungarian Treaty had been drafted and presented to the Hungarian Delegates, but their

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observations on it have not been received, and, even under the most favourable conditions, some time would still elapse before the signature. In addition to the main Treaties, a large number of accessory Treaties and Protocols had been arranged and signed, of which the most important were the Minority Treaties, guaranteeing full equality to racial, religious and linguistic minorities in the new States and in those Balkan States which had received large accessions of territory.

I. THE TREATY WITH GERMANY

THIS was the formal position. We must now consider what progress had been made towards the establishment of the permanent settlement of European problems. Here again we must begin with Germany ; whatever other criticisms may be passed upon the work of the Conference, this at least can be said, that it has for good or evil determined the territorial configuration and the political status of the new Germany and, if our interpretation is correct, has done so in strict adhesion to the principles which were agreed upon previous to the Armistice. There has been a large amount of vague criticism on the treatment of Germany, which has naturally found an echo in Germany itself, and which tends to create the view that a great injustice has been done to that country. This, we believe, is, as regards the territorial and political settlement, entirely unfounded. It is common knowledge that discussions as to the terms of peace to be imposed upon Germany, especially in France, advocated the complete disruption of the Empire, the re-establishment of the old condition of affairs in which Germany should be divided into numerous States, which would inevitably become the clients of the other countries of Europe. It was especially urged that the whole of the left bank of the Rhine should be completely separated from the rest of Germany, or, if this could not be

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achieved, should be constituted as a separate State within a Germanic Confederation, with such special rights and privileges as would bring it completely into the French orbit. Now, if the problem had been approached purely from the point of view of the relative strength of the different nations and of the balance of power, there was much to be said for some such solution, for, as French military opinion has always insisted, France could never be secure so long as she was confronted with a Germany with a population so much greater than her own. A peace thus dictated, merely on the old principles, would almost inevitably have meant the destruction of Germany and the overthrow of the work of Bismarck. We believe that such a peace would in reality have been a grave error ; the forces of German union, the result of the internal development during the last 50 years, were too strong to be permanently eradicated, and the attempt to destroy German unity would have had no other effect except to produce generations of unrest in Europe, for the German States, which had been forcibly separated from one another, would in fact have devoted their whole efforts to coming together once more. However this may be, a settlement of this nature was prevented by the acceptance of the Fourteen Points as the basis of the Peace. "Peoples and provinces are not to be bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game." "The settlement of every question, whether of territory, of sovereignty, of economic arrangement or of political relationship, upon the basis of the free acceptance of that settlement by the people immediately concerned and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery." To these principles the Allies were pledged, and, as regards Germany, to them they have adhered.

In general it may be said that no territory has been taken away from Germany except that which may be completely

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justified not only on the general principles of justice, but also on the President's declarations. Such a statement does not involve a pledge to the maintenance in every detail of the precise frontier between Poland and Germany ; no doubt a case may be shown for small rectifications of the frontier in some districts, but the apportionment of a few villages or square miles of agricultural country is not a matter about which Europe as a whole need be concerned. In all those districts where there was a real doubt as to the justification for change an opportunity is being given to the inhabitants to declare their own allegiance.

It is indeed one of the most remarkable characteristics of the Peace that it has definitely adopted the principle of the plebiscite. Hitherto this has been applied only on two occasions : the first was at the time of the French Revolution, when it was used as a means of extorting from the inhabitants of the Rhine Province a vote for annexation to France ; the other was at the annexation of Nice and Savoy to France in 1861, and the annexation of the central Italian duchies to Piedmont in 1859. There is, however, an essential difference in the consultation of the people then and now. Then the vote was taken for the whole of a recognised centre of government administration ; the populace of Tuscany or Parma or Nice or Savoy elected their representatives ; they came together in council, and the verdict was given by this representative assembly. There was no proposal for drawing a new frontier line which would divide areas which hitherto had had a common government. The new doctrine of the plebiscite is very different. As it has been determined for Schleswig, for Silesia, for the Allenstein and Marienwerder districts, or ultimately for the Saar Valley, the voting is to be by commune, and when it has taken place then there will be the further stage of drawing the new frontier ; in this work the commissioners, while following as far as possible the wishes of the population as expressed in the vote, will also have to take into consideration economic and geographical

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questions. The real difficulty will be this. The population are asked to give what is meant to be a final and irrevocable decision as to their future allegiance. What reason is there to suppose that the opinions of to-morrow will ratify the verdict of to-day ? How will the population of Upper Silesia in a few months be able to make a real choice between the two nations, Germany and Poland ; for a choice of this kind will be determined not merely by racial affinities and national sympathies, but also by the preference for one or another form of government ? But no one knows yet, or probably will know for some years, what the government institutions or administration of Poland and Germany will be ; the people are being asked to throw in their lot while they are almost completely in the dark as to what this implies. Moreover, undoubtedly the verdict may be largely influenced by the recognition that separation from Germany will free the population from their share in the burden of reparation.

It is also unfortunate that at least two districts, the Saar and Upper Silesia—the territory the fate of which will have to be determined in this manner—are, owing to their mineral wealth, of the greatest importance from the point of view of economic balance of power. In cases such as this the whole principle of the plebiscite might justly be called in question. Are the Silesian coal mines to be German or Polish ? Is it fair that this, on which may depend to a large extent the very economic existence of Germany at all, shall be allowed to depend upon a narrow majority of the population who at this moment occupy the district ? What does the population consist of ? There are first of all the old-established peasants who are little occupied directly in the working of the mines. Side by side with them is a large floating industrial population, who have been brought to the district in comparatively recent times merely because of the opportunities for work, and who with industrial changes would probably drift away to some other mining field. Is it fair that a matter of

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such supreme importance to a whole nation should be decided by their suffrage? However much it may be recognised that in the circumstances the principle of the plebiscite was enjoined upon the Conference, it is impossible to feel confident that it will be found to have given a decision which will receive the universal moral sanction which is requisite in order that these difficult territorial problems may be settled once and for all. This is but one more instance of the manner in which idealist conceptions fail to bring forth the practical justice for which their adherents hope.

One territorial point which has been much canvassed is that of Danzig. Here it seems that the Germans have no ground for objection. By accepting the President's manifestoes they accepted the principle of the restoration of a Poland with free access to the sea, and it is obvious that the free access in the only way in which it would be of real service to Poland must imply very extended control over Danzig. The compromise by which Danzig is made an independent sovereign city, but one which has to be joined under treaty form in close economic union with Poland, is probably as far as it was possible to go to meet the feelings and wishes of the German population. The solution has been criticised on the ground that it is highly artificial, and that, by placing a Polish corridor between Germany and her eastern frontier, a situation will be created which cannot stand any severe strain. On one point all will be agreed: it is a solution which will certainly break down if there is to be a great war. Germany could not defend East Prussia without violating Polish territory; Poland will find herself in possession of territory and of rights which it would be difficult to defend against a German army. But the true answer to this criticism is that the whole object of the Peace is to attempt to eliminate that situation under which Europe has been suffering for more than two generations; we have got into the habit of considering all problems in their

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bearing, not merely upon war, but upon the great war between armed nations, a war the result of which will be a destruction of the defeated. The one hope for the future is that this conception will be eliminated from European politics. We cannot expect that there will never more be war or fighting ; but we can hope that it will be on a much smaller scale, that it will be local, and that we shall get rid of the system in which the whole forces of civilisation and of national wealth have been made subservient to the building up of enormous armies.

But perhaps the most notable result of the Treaty has been, to judge by present appearances, that, so far from weakening the cohesion of Germany, it has strengthened it. What has happened to all the anticipations of which we heard so much eighteen months ago of the secession of Bavaria from Germany, of the Rhineland or Westphalia or Hanover from Prussia ? It is quite true that there were genuine desires of this kind ; for the moment, if they have not disappeared, they are at least in abeyance, and it is instructive to note why this is so. There seem to have been two reasons : the first is that the French, with a curious indiscretion, were so active in supporting projects for the establishment of a Rhineland Republic that all those more or less patriotic Germans who were in favour of this have withdrawn their support. It was seen that the separation of the Rhineland would be in fact not merely the destruction of Prussian hegemony, but a step towards destroying the unity of Germany and permanently subjecting it to French influence. The result is that both the Centre party and the Socialists have withdrawn the support which at that time they were inclined to give. The other reason is also due to the action of the Allies ; it is quite clear that the very stringent financial terms which have been imposed upon Germany cannot be met unless the central authorities have complete control over the whole resources of the country. Now the privileges of the smaller States were to a very large extent financial ; as is well known, the

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constitutions of 1866 and 1871 left to these States very important sources of revenue, especially of direct taxation. As a result the Empire had to depend to a large extent on the contributions of the States. So long as this system continued there was an important place for the local administrations. Under the new constitution these privileges are taken away, and with them the smaller States, if they exist at all, become merely units of local government without any general political importance. The truth is that the Allies, some of whom started with ill-defined hopes that the defeat of the German army might bring about the dissolution of Germany, have so managed affairs that at this moment Germany is probably more firmly united than it ever has been before. It is congealed into a solid mass by external pressure, as particles of snow are in the same way compressed into a snowball.

The result of the Peace, then, so far as can be foreseen at this moment, is that Germany will be left with territory including all those parts which were purely and undoubtedly German, and will continue to have a larger population than any other national State in Europe. At the same time the power of the Central Government will apparently be increased, and such element of weakness as arose from the federal system will be eliminated. This is a situation which not unnaturally arouses serious apprehensions in France. The French look forward to a time when the present grouping of the Powers may have disappeared, and they may be left face to face as before with a Germany larger and more powerful than themselves. The danger might not mature for another generation, but we cannot be surprised if they dread the renewal of the attack from which on three occasions they have suffered so terribly. What security or protection have they? The securities they have are, first, military. The terms of the Peace require that the German army shall be permanently reduced to 100,000 men, and at the same time Germany has assented to the principle that no armed forces shall be kept

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on the left bank of the Rhine or within a defined distance of the right bank. Moreover, for fifteen years some part of this district will be occupied by Allied forces. So long as these provisions can be enforced, they will clearly give to France the full security which she rightly demands. But will it be possible to make these provisions permanent? Can we expect that Germany, when she has recovered her internal strength, will not use every effort to free herself from restrictions of this nature? Can we believe that the world will permanently support a scheme which condemns Germany to an army of 100,000 while the neighbouring States, such as Poland and Czecho-Slovakia, are allowed an unlimited force?

The answer to this question is, we believe, to be found in the introductory sentences of the military terms: "In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow." Ultimately it will be found that the permanent disarmament of Germany will only be possible if it is followed by a similar, though it may be voluntary, disarmament in other States. This, so far as can be gathered, is not the view which prevails in important circles in France. Military opinion there, and military opinion elsewhere, is naturally very critical of general professions of amendment and vague forecasts of an age of universal peace; it would prefer to depend on strong forces which may provide France with the allies which she requires. It appears to be on Poland that, above all, they would rest their hopes. And this is in accordance with the traditions of the French Foreign Office. For 300 years it has always been their object to find an ally with whom they might be associated in keeping within bounds the permanent danger which has arisen from Germany. Sometimes the ally has been found in the internal dissensions of Germany; Prussia has been used against Austria, and Austria against Prussia, or Bavaria against both. In the seventeenth

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century Richelieu called in the Swede and the alliance with Poland itself was for 200 years a French tradition. And always there was Russia to fall back upon. But now Austria is gone, and the future of Russia no man can foresee ; Sweden has given up her great military ambitions and, like the other Scandinavian States, seems intent only on disarmament ; as we have already shown, the unifying work of Bismarck seems to have survived the war and the revolution, though the basis of the German state is now the will of the people, and not the fiat of authority. Disunion therefore cannot be used. What then remains but Poland ? It is not surprising, therefore, that the predominant weight of French opinion desires to build up a strong Poland which may eventually, if necessary, be used as a sword against Germany. It is in accordance with this policy that French influence has during the last year been used in support of Polish claims—apparently in the belief that the strength of Poland will be in proportion to the amount of territory which it includes. It is also notorious that on many occasions British influence has been found opposed to this programme. Danzig, Upper Silesia, East Galicia, perhaps we may add White Russia and Lithuania—in the treatment of each of these questions we get the same difference of view. It has been represented that the statesmen of this country have been influenced by enmity to Poland. We should interpret the situation differently. Surely there is much to be said for the opinion that the strength of a country does not depend entirely upon the amount of territory which it includes, but is conditioned by its internal harmony. Would a Poland which rules over many millions of unwilling subjects really be a strong ally ? And again, is it wise to encourage Poland to the annexation of districts which are regarded as Russian by all who are able to speak for that country, whether they belong to the old or the new *régime* ? Is there any action which would more surely bring about that result which everyone wishes to avoid—an alliance between a restored Germany and a restored

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Russia to overthrow the conditions of the present Peace ?

The true security of France seems to us to consist, not in the restoration of the old system of military competition, weighted though it may be against Germany, but in the frank acceptance of the diplomacy of goodwill, and not of force, and also of the principle of general disarmament, which may be all the more effective that it begins as the result of European pressure. It is noticeable that there is in the Scandinavian States already evidence of a strong desire for a radical reduction of military establishments.

It might be suggested that France will have all the security which she desires by the very fact that she becomes a member of the League of Nations, for Article 10 of the Covenant contains the following words : " The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression, or in case of any threat or danger of such aggression, the Council to advise upon the means by which this obligation shall be fulfilled." Now this certainly means that France, if confronted by an attack from Germany or the threat of an attack, will be able to appeal for protection to all the other forces of the world united in the League. If the League should become an effective organisation, with power of supervision over the armaments of its members, and also with a force at its disposal, the safety of France would then be assured. Will these two conditions be realised, and can France depend on them ? There are certain points in the text of the Covenant which not unnaturally cause apprehension ; in the first place there is no effective provision for the inspection of the armaments of the members of the League, and secondly there is nothing to provide that the League shall have a mobile force ready for use in an emergency. There appears to be nothing which would exclude in the future the possibility of another sudden and unprovoked attack upon France, in which France might be defeated before

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the possibly cumbrous machinery of the League had been got into motion. It was to meet this that Great Britain and the United States entered into separate Treaties with France, which were signed at Versailles at the same time as the German Treaty, binding themselves "to support the French Government in the case of an unprovoked movement of aggression being made against France by Germany." The situation with regard to this Treaty at present is, however, very unsatisfactory. The obligation on the United States and on Great Britain is common; it does not come into effect for either unless the Treaty has been ratified by the other. Now the Senate of the United States have so far refused ratification, and all indications seem to be to the effect that they will continue to do so. In that case, as Mr. Lloyd George has already pointed out, the obligation of this country ceases, and France is left, as before, without any special protection except that from the League of Nations.

The Treaty with Germany has at least produced a solution which we believe may be a permanent one, of one great group of problems. Can we say the same of the other parts of Europe? Wherever we look we see uncertainty, disorder, dissatisfaction, and, for every problem which has been solved, two new ones arising. We can well understand the feeling of those who maintain that the settlement of Paris has only resulted in the sowing of the dragon's blood and foresee, armed men springing from the soil.

II. BELGIUM

IN the settlement of these problems was involved that of the future status and territory of Belgium. The two points were closely connected with one another. The highly artificial system established in 1839 had regarded Belgium from the point of view of the protection of Western Europe against any attempt to reassert French ascendancy.

Belgium

For this purpose the device of the guaranteed neutrality of Belgium had been invented. It must be remembered that in its original form this was supplemented by arrangements under which certain important strategic positions, especially Luxemburg and Maastricht, were to be garrisoned by Prussian troops, and, for this reason, these territories, to which Belgium had a strong claim, were not assigned to her. The Belgians represented that not only was her political status diminished by the enforced neutrality, but that also, for the sake of Europe as a whole, she was deprived of territory which would probably otherwise have belonged to her. Owing to the action of Germany in 1914 one of the objects with which the neutrality had been imposed had failed, and Belgium once more became the scene of a great European struggle. It was natural, therefore, that the Belgian Government should take the first opportunity of representing to the Congress of Paris that the whole system must be reviewed, and that any alteration of her status should be accompanied with a revision of the frontiers assigned to her in 1839. What she asked for, in fact, was first the Grand Duchy of Luxemburg, secondly that part of the Dutch province of Limburg which interposes between Belgium and Germany, and thirdly a strip of Dutch territory on the south of the river Scheldt. In addition she laid great stress on a revision of the arrangements for the navigation of the Scheldt. It was obvious at once that the two latter territorial points would be difficult to meet, for the claims of Belgium could only be granted at the expense of Holland, and there was no available compensation which might be offered to Holland for this surrender. There remained, therefore, only the Duchy of Luxemburg, and in the beginning of 1919 it appeared for a short time as though possibly the population might themselves desire, if not actually incorporation in Belgium, at least some kind of economic union. Any hopes that the Belgians may have based on this were, however, doomed to be disappointed,

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and when, eventually, a plebiscite took place in June the result of it was a strong expression of opinion for economic orientation towards France.

The whole Belgian problem had been referred at Paris to a special commission of which M. Tardieu was chairman. The report of this commission has not been published, but we may note what action was eventually taken by the Conference itself. With regard to frontiers, Belgium received a slight addition of territory on her Eastern boundaries, the circles of Eupen and Malmedy, the latter of which includes a considerable French-speaking population. This territory is considerably larger than on the mere grounds of language could have been justified, but it is accompanied by a provision which, by the way, is very obscurely worded, giving the population the right to protest against this decision. We have here a kind of negative plebiscite ; how it is to work is not quite obvious, and it is a matter of criticism, which was taken by the Germans, that the form in which the opinion is to be expressed is by the opponents entering their names in books to be kept by the Belgian Government for this purpose. We may anticipate, at any rate, that those who do take advantage of this provision will be such determined adherents of Germany that they do not shrink from the unfortunate consequences which might attach to an unsuccessful protest against their new masters.

So much for the territorial settlement. The other matters were eventually referred to a fresh commission, before which both Holland and Belgium could state their case, but this was not competent to deal with territorial questions. This committee has been sitting now for over six months, and has been chiefly occupied with matters of purely local interest ; it is not apparent that any final conclusion has been arrived at. The most important point for Belgium, as for France, is the guarantee for the future.

The problem is a fundamental one. It is not unnatural that, in view of the events of the last years, Belgium should

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ask for some definite guarantee on which she can depend for the security of her territories. This was given by the old system of guaranteed neutrality. It is generally said that this system failed. Up to a point it did, in that it did not prevent the invasion and occupation of Belgium. Yet it is difficult to maintain that it has failed completely, for surely nothing arises more clearly out of the history of the last five years than that the very fact of the existence of this solemn guarantee has been a predominant factor in determining the issue of the war. However this may be, there is unanimous feeling among the Belgians that they do not desire and will not accept the former restrictions on their sovereignty, and in fact, as the discussions about Switzerland have shown, neutrality in the old sense is incompatible with membership of the League of Nations. Given that they are freed from this, is there any reason why Belgium should require any security beyond that which is enjoyed by other of the smaller States, such as Denmark and Holland? If words have any meaning, Article 10 is surely a pledge as strong as that contained in the older guarantee and one which is assured by a much larger number of States. The problem, therefore, seems to be whether Belgium has sufficient confidence in the effective existence of the League of Nations to trust her defence to it. The only alternative would be that, as was at one time suggested, she should be allowed to come in as an additional party to the special defensive Treaty between France, Great Britain and America.

III. THE RECONSTRUCTION OF SOUTH-EASTERN EUROPE

IT has for some months been obvious to students of foreign politics that the Treaty of Saint Germain with Austria and the Treaty presented for signature to Hungary are not likely of themselves to effect a permanent settlement in Central and South-Eastern Europe. They have rather

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recognised the facts brought into being by the war, presenting Europe and the world generally—for no country, after the experiences of the Great War, can safely consider itself isolated from events in any part of the European continent—with a series of problems, potentially as dangerous as that from which grew the rivalry that led to the outbreak of the European war, but which they do little to solve.

The principal territorial and economic conditions laid down in the treaty may be recapitulated :—

In the first place the Dual Monarchy has been broken up into its constituent racial parts ; instead of one empire there are now four new independent states and in addition notable districts have fallen away to be joined to other neighbouring states—Poland, Roumania and Italy. Just because of the universal intermingling of the races in this area complete adherence to the principles of self-determination and racial division was not found possible. Thus, though, except in the case of the Tyrolese, political boundaries were made to coincide substantially with national majorities, a quarter of a million German Tyrolese have gone to Italy, nearly 1,200,000 Magyars and 600,000 Germans have gone to Roumania, half a million Magyars have gone to Slovakia, and three and a half million Germans to the Czechoslovakian State as a whole, nearly 300,000 Germans and a quarter of a million Magyars to Jugo-Slavia. The internal weakness of the new states which these statistics connote is one of the first perils confronting South-Eastern Europe.

The economic future is no less sombre. On the economic side the result of the peace may be summed up briefly with the remark that both Austria and Hungary have been saddled with a burden for reparation that in their present circumstances they are totally incapable of paying. In a financial and economic sense, if in no other, the Austrian and Magyar States have been left as a kind of bankrupt concern on the hands of the Great Powers, foremost

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among them this country. The problem is not only to ward off starvation and consequent anarchy, but to set the machine going again and to eliminate unemployment and its demoralising consequences, which if left untended may well mean the ruin of all the new States and the spread of social chaos northward and westward.

The foregoing facts notwithstanding, the advocates of the dismemberment of the Dual Monarchy are on the whole justified in contemplating the result with satisfaction. The attempt to unite the peoples of the old Empire in one political and economic system, in which German and Magyar had the predominance of power, had clearly failed, and there was no alternative left save to base the new settlement frankly on the national principle. They have, further, the right to congratulate themselves on their perception of the danger of the German *Drang nach Osten*. At the same time, it may fairly be questioned whether the advocates of disruption were not too much absorbed by purely racial and cultural facts and far too little preoccupied with economic and—for want of a better word—disciplinary forces. In all the well-known arguments, before and during the war, as to what constituted the cohesive forces of the Hapsburg monarchy—attachment to the dynasty, the Roman Catholic Church, the bureaucracy and the like—economic solidarity and common interests were scarcely ever mentioned. In particular, the historical mission of Vienna in the past and its position as traffic centre and economic clearing house in the present have been under-estimated.

This does not mean that the treaty stands condemned; the charge that it has completed the "Balkanisation" of Central and South Eastern Europe is an idle one. The break-up of Austria-Hungary was an accomplished fact before the end of the war, and it is difficult to see what action subsequent to the spring of 1917, the date of Count Czernin's far-seeing memorandum to his Emperor, could ultimately have averted the catastrophe. So far as the

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general territorial outlines of the peace, so far even as some of the economic conditions, are concerned, all that the treaties have done is merely to set their seal to a number of inevitable changes. No policy of reconstruction, therefore, will look back to the extent of regretting the past and attempting to resuscitate it. It will look forward and set its hand to the gigantic task of reconciling economic prosperity with political justice. For good or evil the national principle has triumphed, and its application, in general terms, to South-Eastern Europe, as elsewhere, will be regarded as unalterable by the practical political thinker.

There is, nevertheless, room for protest against the unrestricted extension of the doctrine. This concerns a preliminary objection advanced by those who will not admit the possibility of the reconstruction of South-Eastern Europe as an economic unit, or at least as a series of economic units bound together by politico-economic interests. These critics oppose the clause in the Treaty of Saint Germain which forbids the adhesion of Austria to Germany. Despite the signature of the treaty by Austria, and the present Vienna Government's undoubted intention of observing its clauses loyally, it is affirmed that the attachment of Austria to Germany is both inevitable and desirable. The fact is disregarded that, apart from the effect produced by a transitory impression of helplessness, the popularisation of the idea of the *Anschluss* was due to Socialist and *Gross-deutsch* propaganda. Had this propaganda succeeded, should it succeed in the future, not only would the treaty have been vastly complicated, with grave danger to the Austrian population, not only would Vienna be relegated to the mere position of a German frontier town, but a blow would have been struck at the integrity of both Switzerland and Czecho-Slovakia. The principle that linguistic frontiers must be political frontiers would have received strong support, and the absorption by force or otherwise by a greater Germany of the German-speaking Swiss and the German Bohemians—already not

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too well inclined to accept their new position—would have been only a matter of time. A mere glance at the map should suffice to show the desperate economic and strategic position of both the Swiss and the Czecho-Slovaks should a *Gross-Deutschland* arise. Even regarded as a choice between two evils it is surely better that Czecho-Slovakia should form part of an economic federation in which it will hold a leading position than that it should be compelled by hard geographical facts into a great empire where it would play but a comparatively insignificant part.

It may then, despite party agitations, be accepted as an axiomatic preliminary to the reconstruction of South-Eastern Europe that racial feeling must be abated so that racial frontiers shall not be political frontiers. In the present conditions it is even more necessary that political frontiers should not be economic. The desperate situation which exists in Austria—and to hardly less extent in Hungary—is due primarily to the fact that political antipathies have set up economic barriers. These must be broken down. The principle of free exchange between the States of the former Hapsburg monarchy must be made a practical reality, not from motives of charity, but from the recognition of the urgency of re-establishing stability and production. It will be said that all that has been done up to the present has been more in the nature of benevolent assistance than of sound business transaction. In the first six months of 1919, for example, Czecho-Slovakia exported to German-Austria goods to the value of 800,000,000 kronen, but received only 350,000,000 kronen in return. But these statistics alone show that close economic co-operation between the former States of the Dual Monarchy is possible once the question of exchange has been re-adjusted. A State must not be denied an opportunity of an independent existence because it is not self-sufficing in food and raw materials. That is a fallacy that has vitiated many a political argument during recent discussions on the Peace Treaties. It lies at the root of the objections that are made

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to affording Austria the means of exploiting the industrial and administrative skill of her citizens, and no amount of racial antipathy should be allowed to justify this. From the point of view of both river and railway traffic Vienna occupies an unparalleled position ; it looks out over the East and the Balkans, and the East and the Balkan States in return look back to it. The Confederation of Europe might begin far less auspiciously than by crystallisation round this great historic city, on which lines from Paris and the West, Trieste, Prague, Belgrade and Budapest, all converge.

The moment is perhaps not very propitious to talk in any practical sense of a confederation of the Danubian peoples. Suspicion and resentment are still strong, and naturally so ; in the Catholic outlying provinces of Austria there is profound dislike of Socialistic Vienna, reciprocated by a hatred of a backward peasantry which refuses to part with its produce, and prefers to throw in its lot with either Switzerland, as in the case of Vorarlberg, or Germany, as in the case of Tyrol and Salzburg. In Hungary there is bitterness over the loss of rich provinces, there is a well-marked and genuine trend towards making the country a strongly conservative, monarchical peasant State. This brings with it political ideals in sharp opposition to those of Austria, latent territorial ambitions in the direction of Slovakia and Transylvania. Already political tendencies in Budapest have brought about a *rapprochement* between Vienna and Prague ; this, in its turn, may bring about a *rapprochement* between Budapest and Warsaw, with the danger of splitting South-Eastern Europe into two mutually exclusive camps, and opening up an era of perpetually fresh intrigues, and the maintenance of excessive armaments.

It is not yet widely enough realised that the form of government under which the various Danubian peoples prefer to live is a matter of indifference to the general interests of Europe so long as a curb is kept on aggressive tendencies ; there is not yet a sufficiently clear perception

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of the fact that the smooth working of the economic machine is the essential preliminary to political stabilisation, and not *vice versa*. The country that can most easily and most quickly and cheaply bring coal and raw materials to its factories, and keep all its citizens employed, is the country that will have least to fear from foreign penetration or domination. In this regard the countries of Europe are interdependent to a degree greater than at any time since the Industrial Revolution. As far as South-Eastern Europe is concerned, the questions of cheapness and rapidity may be considered almost entirely in terms of distance from sea-board. This fundamental fact must have a vital effect on the future of all the Danubian States ; alone it should be enough to convince far-seeing Czecho-Slovakian politicians of the un wisdom of driving Austria into German arms, Hungarian politicians of the folly of perpetuating their antagonism to Jugo-Slavians and Roumanians. No one of the Danubian States can of itself hope to become a Switzerland ; its geographical situation is immensely inferior, for Switzerland can draw supplies from the North Sea, from the Mediterranean, and from the Adriatic, and the likelihood of a war resulting in the closing of all three trade highways to the Confederation is, to say the least, extremely remote. Such would not be the case, however, with the highways leading to Prague or Budapest should a close economic co-operation between the States of the Danube basin not be attained.

For the moment the outlook is far from promising. The Austrian krone stands at over 500 to the £ sterling as compared with its par rate of 25. Its value to neighbouring States is thus practically worthless, and under the terms of the Reparation clauses, if for no other reason, Austria has practically no assets with which to raise her credit. The Hungarian exchange is in almost the same plight, while the credit of all the other States—so far as the great raw material exporting countries is concerned—is extremely unfavourable. The hopes of reconstruction in South-

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Eastern Europe must be pinned to an increasing general realisation there of the force of the elementary principles here outlined, to the encouragement of their application by the Reparations Commission, to a perception on the part of the financiers and exporters of the Great Powers of the way in which their interests are bound up in the restoration of credit and production in the States of the former Dual Monarchy, and finally to the efficacy of the League of Nations. In the present unparalleled shortage of manufactured goods and of food, every loom, every engine-shop left idle, every wheat-field left untilled, is a loss to the world at large. That is the reason why co-operation must come, while the League of Nations, supported by public opinion, must see to it that no political injustice, no racial antipathy, delays its coming.

IV. THE ADRIATIC

THE Adriatic question represents in its essentials a conflict between ethnical claims and strategic guarantees. The Jugo-Slav case is ethnically unanswerable; the Italian case for strategic control over the Adriatic is far stronger than has perhaps been admitted in Anglo-Saxon quarters.

Jugo-Slav Case

The Jugo-Slavs based their case primarily upon their desire to unite within the new Jugo-Slav Kingdom all Southern Slavs who formerly were incorporated within the Austro-Hungarian Empire. Secondly their claim is based, especially as regards Fiume, on economic factors. They have gone a very considerable way to meet the Italians in recognising that both Trieste and Pola are necessary to Italy, and that the railway connecting these two places must also fall within Italian territory, although

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any frontier drawn so as to secure this will leave large masses of Jugo-Slavs under Italian domination. They were also prepared, though somewhat grudgingly, to admit the Italian claims in the counties of Gorizia and Gradisca, although such a concession would represent leaving upwards of 300,000 Slovenes under Italian domination. They were prepared even to go further, and to give Italy strategic control over the Adriatic by assigning to her one or two of the western islands of the Adriatic group. In return, however, for this conciliatory attitude, they insisted that the Italians should abandon their claim to the Port of Fiume, to the Northern portion of Dalmatia given them by the Treaty of London, and to the other islands accorded to Italy under that instrument.

Italian Case

The Italians, on the other hand, claimed that they had a right to base their case upon the Treaty of London. They stated that this Treaty represented the terms on which Italy had come into the war, and they continued to regard the Croats and the Slovenes as the enemy over whom the war had been won. In view, however, of the American attitude, they were prepared to abandon their claim to Dalmatia and to the majority of the islands enumerated in the Treaty of London in return for the cession to Italy of the Port of Fiume.

The Jugo-Slavs having practically accepted a compromise line in Gorizia, Gradisca and Istria, and the Italians having shown their readiness to abandon their claims to Dalmatia, the question really centred upon the disposal of Fiume. The Italians claimed that this city showed an Italian majority, that the desire of the people was for union with Italy, that the Jugo-Slavs could have access to the sea by other ports, such as Buccari and Segn, and that if they were given Fiume they would accord the Jugo-Slavs all economic rights of ingress and egress.

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The Jugo-Slavs countered this argument by showing that the ethnical statistics of Fiume, as given by the Italians, were not accurate. It is true that if one took the figures for Fiume itself one got the following proportion :—

Italians	..	..	..	..	24,212
Jugo-Slavs	..	..	..	..	15,687
					<hr/>
Italian majority	..	..	..	..	8,525

It is impossible, however, to separate Fiume from its suburb of Suchak, and if the figures for this latter portion of the town were added to the total the position was reversed, namely :—

Italians	..	..	..	..	25,781
Jugo-Slavs	..	..	..	..	26,602
=Slav majority of 821.					

In addition to this, the Jugo-Slavs contested that the Port of Fiume and the railway leading therefrom to Laibach was the essential economic artery of their new State, and that no alternative port could be constructed to take its place. Conversely, the Port of Fiume was of no value to Italy, and their desire to obtain it was merely due to a fear that it would compete with Trieste.

In general the Jugo-Slavs claimed to be treated not as enemies but as allies, appealed to the 14 points of President Wilson, and stated that if there were any doubt as to the justice of their claims, they would readily appeal to the decision of a plebiscite.

The Adriatic question, although it centred in Fiume, had other ramifications; it involved, incidentally, the status of Montenegro and the future of Albania. The Jugo-Slavs claimed that by the decision of the Podgoritzza Assembly (which had, incidentally, been secured under the most suspicious circumstances) the Montenegrin people

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had voted for union with Jugo-Slavia. They pointed out, with some justice, that this decision could only be confirmed by a Constituent Assembly held in the whole of Jugo-Slavia, and that such an Assembly could not meet until the frontiers of the State had been decided.

As regards Albania, the Jugo-Slavs wished to secure the port of Scutari and the Drin Valley as an additional economic outlet for their State. The Italians, expecting to have conferred upon them the Mandate for Albania, consistently supported the idea of a united Albania with at least the frontiers of 1913.

In discussing this complicated question, the French and British representatives laboured under the incubus of being bound by the Treaty of London. They had, therefore, to ask Italy for concessions instead of being able to offer her a reasonable settlement. The Jugo-Slavs, on the other hand, being a small country, were not represented on the Council of Four, and had, therefore, little voice in the decision of their own destiny. It is entirely to their credit that they accepted this decision with the patience that they manifested throughout the Conference. The Italian Government were themselves somewhat hampered by the excited state of Italian opinion, which had centred upon Fiume as the main compensation for their sufferings in the war. In this clash of interests the United States Government, and President Wilson in particular, alone retained a free hand. It thus was left to the President to endeavour to find a solution of the whole question.

It is not possible or necessary to follow the intricate negotiations, which moreover are still to a great extent secret, which took place during the course of 1919 between the President and the Italian representatives, punctuated by general discussions in the Supreme Council. Had the President been better advised, and had he been less diffident of his own position, it is possible that he could have induced the other three Powers to lay their cards upon the table and discuss the question in a frank spirit. As it was, the

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Adriatic question suffered throughout the year through tentative procedure, general dilatoriness, and a certain furtiveness. The result was that the Italians were placed in a position of playing off one Power against the other. So long as Baron Sonnino represented Italy, any reasonable compromise appears to have been impossible, but the more conciliatory spirit introduced by M. Tittoni was clouded by two successive incidents of the most unfortunate nature. The first was the massacre of French soldiers at Fiume in July, the second D'Annunzio's raid upon the city itself. The impression made by both these incidents upon the Conference, and especially upon M. Clemenceau, was so bitter that it became almost impossible to touch the question until the atmosphere had cleared. It was thus only towards the end of November that any really sane attempt was made for a joint discussion of the Adriatic question. At the end of that month the British, French and American Delegations combined to review the position and to take up the question where it had been left by President Wilson's abortive attempts at a compromise. Their decisions were embodied in the memorandum of December 9 last, under which Fiume and a large area behind it was to be constituted a Free State under the League of Nations, the whole of Dalmatia, with the exception of Zara, was to go to the Jugo-Slavs, while Albania was, under specific guarantees, to be entrusted to the Mandate of Italy, who should also be given a few strategic islands in the Adriatic. This proposal, however, was refused by the Italian Government, and, on the arrival of Mr. Lloyd George in Paris in January last, a modified scheme whereby the greater part of the Free States, containing 150,000 Slavs, was included in Jugo-Slavia, which was also given control over a portion of Northern Albania, while Italy was given direct territorial access to the free city of Fiume.

This final arrangement, proposed after long negotiations both with the Italians and the Jugo-Slavs, was embodied in a note to the Jugo-Slavs from Great Britain and France

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which had all the character of an ultimatum, since it carried with it the threat that its non-acceptance would involve the return of the Treaty of London. In a reply, which was couched in dignified terms, the Jugo-Slavs asked for further time to consider their position, and their final decision has not yet been received.

It must be observed that this last arrangement, for which Mr. Lloyd George was largely responsible, was an attempt to settle, after endless delays, a dispute which was threatening to lead to a new outbreak of war. Whatever may be said for the proposal as between Italy and Jugo-Slavia, it involved proceeding without the concurrence of the United States, which had withdrawn its plenipotentiary from Paris in December, and the partition of Albania—the last a more than doubtful proceeding.

V. THRACE AND CONSTANTINOPLE

IN his memorandum to the Peace Conference, M. Venizelos claimed on ethnical grounds that Eastern and Western Thrace should be given to Greece. In Western (Bulgarian) Thrace he claimed all the territory south of the Arda. In Eastern (Turkish) Thrace he claimed the territory between the present Turko-Bulgarian frontier and the Enos-Midia line. The question of Constantinople he left untouched. He based his arguments on the following contentions :

Taking Eastern Thrace first, he contended that after some minor rectifications had been made in the northern frontier, the ethnical figures, as based on the Turkish statistics for 1910, would give 237,239 Greeks, 193,284 Turks, and 35,035 Bulgarians. For ethnical reasons, therefore, it seemed just to accord the whole of Eastern Thrace, within the line specified, to Greece. Turning to Western (Bulgarian) Thrace, he gave the following statistics :—Greeks 91,928, Turks 232,988, Bulgarians 35,003.

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He argued, therefore, that if Eastern Thrace were, as was ethnically just, given to Greece, it would be impossible to give Western Thrace back to the Turks, who were in an actual numerical majority. It would be right, therefore, to give Western Thrace to the nationality coming next in order, namely, the Greeks, and such a solution was all the more indicated since it was necessary for the Greeks to have territorial connection between Greece proper and Eastern Thrace. M. Venizelos reinforced these arguments by producing petitions from the Turkish majority in Western Thrace, stating their desire to come under Greece, and by meeting the objection that the cession of Western Thrace would cut the Bulgarians from the Aegean Sea by undertaking to give to Bulgaria all possible guarantees in this respect.

The question was at first considered by the Greek Committee of the Conference, who, while approving M. Venizelos's claims in principle, pointed out that the future of Eastern—*i.e.*, of Turkish—Thrace must inevitably rest on the ultimate disposal of Constantinople. The future of Constantinople was, however, forbidden fruit to the Conference until such time as America had signified her intentions in the matter. The question of the two Thraces was, therefore, left in suspense until the approaching completion of the Bulgarian Treaty rendered it essential to come to some decision as regards Bulgarian Thrace. The question was then re-raised and debated with considerable asperity. The American representatives, who had originally been in favour of M. Venizelos's claims, changed their ground and strongly supported the Bulgarian contentions. They argued that the 1910 statistics produced by M. Venizelos were no longer valid, and that to cut Bulgaria from the Aegean would be to perpetuate internecine strife in the Balkans. The French and British representatives replied to this by pointing out that if the statistics had been altered since 1910, this was due to massacres and deportations which could scarcely be con-

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sidered valid arguments in self-determination, and that as regards Bulgaria's economic outlets, Bulgaria would come out of this war in a far better position owing to the extended internationalisation of the Danube, the opening of the Straits, and the very important concessions which M. Venizelos had himself offered on the Aegean seaboard.

Long argumentation produced no agreement, with the result that a compromise was arrived at which gave satisfaction to no one, and which will, if Greece is eventually given Eastern Thrace, leave her with an almost impossible frontier. It was decided that Bulgaria should cede to the Allied Powers the territory south of a line running along the Kartal Dag till it joins the Maritza, and that the territory thus ceded should be occupied as regards the western portion by the Greeks and as regards the eastern portion by the Allied armies. This compromise, however, is not likely to stand, for the United States, to whom it was principally due, have now withdrawn from the Conference.

It will now be for the Turkish Conference to decide the ultimate fate of Eastern Thrace and the disposal of Constantinople itself. At present two rival theories hold the field. The first is that the Turks should be forced to leave Constantinople, and that the city, with a strip of territory on both shores of the Straits, should be created a free State and its government entrusted to some body working under the League of Nations. The second, that the Turks should be allowed to remain in Constantinople, but with no territorial hinterland in Europe, and that the guardianship of the Straits should be entrusted to an international board on the analogy of the Danube Commission. The future alone can show which of these two theories will prove decisive.

REVOLUTION AND COUNTER REVOLUTION IN RUSSIA

THE end of the year 1919 witnessed the triumph of the Red Armies on every front. By the middle of November Yudenich's army had been hurled back from the outskirts of Petrograd and, after retiring across the Esthonian frontier, had been disbanded. A few weeks later Koltchak's forces, driven from Omsk, began melting away along the railway line between Omsk and Irkutsk, until by the end of the year both Army and Government had ceased to exist. Finally, towards the end of December Denikin's Volunteer Army, which during the summer had advanced to within 200 miles' distance from Moscow, had not only been driven from the greater part of the Ukraine, but had been ousted from the headquarters of its civil and military administration and compelled to withdraw to its original starting-point in the Kuban province by the Black Sea coast. Never had the prospects of the anti-Bolshevik forces been so black ; never had the triumph of the Reds been more unmistakable. The game of backing a winner in the struggle, which had been so keenly entered into by public opinion outside Russia, had come to an end ; whatever the merits of the struggle, it had been decided without any further room for doubt in favour of the Reds.

In June, 1919, when the fight between the Reds and the Whites was evenly matched, and when the Allied Governments had decided to give what material support they could to the latter, an article in *THE ROUND TABLE* gave a review of the political position behind the various fronts. At that

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time Bolshevism appeared to be on the wane in Central and South Eastern Europe, while in Russia herself there were signs of growing hostility to the Government in the territory controlled by the Soviet, together with a rapid increase in the strength of the anti-Bolshevist armies in the South and in Siberia. It was still hoped that the numerous forces, whether Russian or non-Russian, would combine in the struggle against Bolshevism and, after arranging their differences with one another, and accepting democracy as the basis of their policy, would succeed, with the full moral and material support of the Allies, in organising a united political and military front against the enemy. The same problem had been faced and solved by the Allies in the war against Germany, and had proved the only sound method of overcoming an enemy that enjoyed the geographical advantage of working on interior lines; the almost complete failure of the anti-Bolshevist forces to draw the obvious lessons from the war between the Great Powers was one of the main military causes of the triumph of the Red Army. The latter was able to concentrate in turn on each of the forces opposed to them in Siberia, on the Baltic and in the South, with the result that on each occasion the Red Army outnumbered its opponents and bore down all resistance in a series of rapid advances. At no time during the struggle could it be said that there existed a G.H.Q. of the anti-Bolshevik armies, whereas Moscow knew exactly what plan of campaign to adopt, and showed no hesitation in its execution.

Before considering the political situation in Russia to-day it is necessary to review the decline and fall of the anti-Bolshevist forces, and to examine the causes of their collapse. In doing so one cannot confine oneself to internal causes, though they certainly played a very important part in the disintegration of the Whites. The Russian problem has had so far-reaching an effect on Europe that external causes are of great importance, and Russians who attribute the failure of their cause to decisions taken in Paris have

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some right on their side as against those who wish to lay the blame entirely on the Russian forces themselves. For a proper understanding of the present position in Russia it may be better to deal first with the Russian question as it affected Europe, and secondly with the special difficulties that arose in the Baltic, in Siberia and in Southern Russia.

I. THE RUSSIAN QUESTION IN WESTERN EUROPE

NO question which came before the Peace Conference was so complicated by extraneous considerations as that of Russia. At no time in the course of the discussion was it possible to consider the question purely on its merits, and to lay down certain principles for a settlement of Russia in the same way as principles had been established for the solution of other European questions. There was a general consensus of opinion that representatives of the Soviet Government could not be summoned to Paris to confer with representatives of other countries on the same footing for the simple reason that no common ground could have been found, and that under such conditions no agreements could be regarded as binding. There was the same consensus of opinion that if the Whites could triumph over the Reds and set up an All-Russian Government the whole question would be enormously simplified, and direct negotiations about the future settlement of Eastern Europe could be conducted in the same way with Russian representatives as with those of other countries. In other words, there was more in common between Koltchak and the Peace Conference than between the Peace Conference and Lenin. Differences between Koltchak and the Peace Conference could have been bridged, whereas the differences with Lenin were too fundamental to make discussion profitable.

If this was the accepted opinion in Paris the natural conclusion would have been a determined effort on the part of

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the Allied Powers to replace the Bolsheviks by their Russian opponents. Here, however, other considerations came into play. In every country in Western Europe a considerable body of opinion had espoused the cause of the Bolsheviks against their opponents on the ground that the former represented Socialism and the latter reaction. No exposure of Bolshevik methods of tyranny and dictatorship could shake this opinion, which grew steadily throughout 1919 in proportion as the Allied Governments were associated with the anti-Bolshevik campaign. In course of time the Allied Governments found themselves in a vicious circle. Pressure of public opinion prevented them from lending the full support to the Whites which was necessary for their success, and when, owing to lack of proper support, the White cause began to decline, public opinion became more and more outspoken in its opinion that the Reds really represented Russia. Owing to the fact that Allied support of the Whites was half-hearted from the outset, and was accompanied from time to time by dark hints that a compromise with the Bolsheviks had never been pushed very far into the background, more and more Russians, believing that the anti-Bolshevik forces in Russia were not strong enough to overcome Bolshevism of themselves, began to throw in their lot with the Reds. Further, the entourage of Denikin and Koltchak came to be more and more regarded as representative of the *ancien régime*, and their success to threaten both the revolution and the ownership of the land of the peasant. Finally, the opinion gained ground in Russia that Denikin and Koltchak had become the mere instruments of Allied policy in Russia, that their policy was being dictated more in Paris than in Omsk, and that Russian policy must assert itself through some force that could not be dictated to from Paris.

This association of the Red Army with the cause of Russian nationalism was probably the decisive factor in the triumph of the Soviet regime as against Koltchak and Denikin. During 1918 it was certainly not widespread,

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though even in the summer of that year traces of it were to be found in Moscow, Petrograd and Kiev, but during the war and for some months after the Armistice there was still a blind faith in the Allies amongst the Russian masses. Englishmen who had been in Soviet Russia were both amazed at, and embarrassed by, this faith in their own country, and it is reasonable to believe that, had the Allies made the most of the belief in their loyalty to Russia during the early months of 1919, they could have achieved great things with much less effort than appeared to them to be necessary. This was the testimony of many competent observers of conditions in Russia, but it was not accepted as providing a strong enough basis for action, and those who opposed intervention insisted on regarding the Bolshevik movement as capable of rallying national feeling to its side against any foreign troops. Opinion in Western Europe paid little attention to the appeal that was being made in Russia to help in the overthrow of the Bolshevik dictators, and, as that appeal fell more and more on deaf ears, opinion in Russia hardened against any further half-hearted intervention from abroad. During the summer and autumn of 1919 the number of patriotic Russians who were opposed to any further intervention from outside grew steadily. They were weary of the Allied policy of compromise and insisted that we should either put our whole weight into the anti-Bolshevik movement or else leave them alone altogether. The failure of the Allied Governments to adopt either of these policies drove more and more Russians into the ranks of the Red Army or into some branch of the Soviet administration in the hope that at some future date salvation from Bolshevism might come from within.

There was a further reason for the hardening of opinion in Russia against the policy of the Allies. From the time of the Bolshevik Revolution in November, 1917, we had been faced with the problem of the Border States. In December, 1917, the Ukrainian Rada had nearly been

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recognised by the Allies, not because it was considered to represent a distinct Ukrainian nation, but because it seemed at first a bulwark against Bolshevism. The Ukrainian problem, however, solved itself at Brest Litovsk so far as the Allies were concerned, and the Ukrainian national movement never recovered its position in Western Europe from the time the Rada signed a separate peace with the Central Powers. Meanwhile, other border States thrust themselves on our attention. In the early months of 1918 an Esthonian Delegation visited England and France. The Esthonians were the victims both of the Bolsheviks and of the Germans, and their cause naturally met with the sympathy of the Allies, the British Government giving provisional recognition to the Esthonian National Council as a *de facto* independent body on May 6, 1918. Later in the same year the Esthonians were followed by the Letts, and on November 11, 1918, the same assurances of sympathy and support were given to them as had been given to the Esthonians. Owing to differences between the Poles and the Lithuanians, the latter received a very belated form of recognition from the Allies on September 25, 1919.

After the Armistice the Baltic question soon became acute. We found it necessary to translate our assurances of sympathy into active help, and sufficient help was given to the Esthonians to enable them to dislodge the Bolsheviks from Esthonian territory. But after Esthonia had been cleared both of the Bolsheviks and of the Germans, and after the Letts had in the course of many difficulties succeeded in establishing their own Government at Riga, Allied policy came to a standstill. The Baltic States were still at war with the Bolsheviks, but at the same time had no kind of understanding with the anti-Bolshevik Russians. The latter felt very bitter against these new States that had arisen from the ruins of Bolshevik Russia, and were slow to recognise the reality of Esthonian and Lettish aspirations. They were confident that they could themselves overthrow

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the Bolsheviks without the help of the non-Russian nationalities, and were reluctant to abandon their claim to treat the Baltic States as part of Russia in the event of victory. It is true that the nationalities themselves were most uncompromising towards the Russians, and their representatives in Paris studiously refrained from all intercourse with the Russian Delegation. It is possible that if the Allies had really worked for it they might have negotiated an agreement between the Russians and the different national States. But no serious effort was made to reconcile the conflicting views, and those influences in Russia which were definitely hostile to the Allies fanned the suspicion between the Border States and the anti-Bolshevik armies on every occasion. The Bolsheviks themselves were not slow to make the most of our indefinite policy towards the Border States, and made frequent references in the Soviet Press to our actions in the Baltic and in the Caucasus, doubtless in the hope of driving many Russians into the ranks of the Red Army as providing the only force capable of winning back the old Russian frontiers and establishing the Great Russia of their dreams.

These two causes—the uncertain nature of our support of the anti-Bolshevik Russian forces and our support of the autonomy of the Border States—certainly contributed towards the rapid decline in the *morale* of the anti-Bolshevik forces in the latter part of the year. To anybody who followed closely the course of opinion in England and France throughout the decisive months of the struggle in 1919 it is clear that full moral support was never given to the anti-Bolshevik cause. On the contrary, a large section of opinion in this country was definitely hostile to it, and lost no opportunity of representing the efforts made by Koltchak and Denikin as being in the interest of reaction, or of justifying the Bolshevik regime.

The collapse of the anti-Bolshevik armies, however, was caused fundamentally by the growth of feeling inside Russia itself against foreign intervention of any kind and

The Failure in Siberia

against the counter revolution. Despite their successes through the assistance given them by the Allies, opinion seemed to have hardened throughout Russia during the latter part of the year in favour of the Communist party as standing for a free Russia, and for the fruits of the revolution, as against those who were against the revolution and were willing to accept foreign aid.

II. THE FAILURE IN SIBERIA

ADMIRAL Koltchak's regime in Siberia lasted for a little more than a year. The *coup d'état* which brought him into power took place at Omsk on the night of November 17, 1918; by the end of 1919 Koltchak was in retreat with the remnants of his army and his Government on the railway line between Krasnoyarsk and Irkutsk. His rule falls roughly into two periods. The first period extends from November, 1918, to the beginning of the Red offensive in the early part of May; the second period covers the whole of the great retreat from a line about forty miles distant from the Volga to Irkutsk. During the first period Koltchak met with considerable success. He outlined his policy of the middle course between reaction and Bolshevism, and pledged himself to the convocation of a Constituent Assembly when Bolshevism had been overthrown. He gained a large measure of support not only from the officers whom he relied upon in building up his new Siberian army, but also from the representatives of the Liberal political parties, the Co-operatives and the *Zemstvos*. The middle course he had chosen was a difficult one to steer, and required a firm but generous hand. Koltchak, from all accounts, was a broad-minded man, not personally ambitious, and anxious to combine all shades of opinion in the struggle against Bolshevism, but, as time went on, he showed himself quite incapable of putting down with a strong hand the intrigues that were fomented from

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one end of Siberia to the other. He was always hampered by the circumstances in which he came into power. His arrest of the Social Revolutionary leaders was never wholly forgiven, and amongst the Social Revolutionaries there was constant agitation against the Government. Much of this agitation was no doubt fomented by Bolshevik agents, but much of it was genuinely anti-Bolshevik, and could have been dealt with reasonably. Unfortunately, Koltchak was not always able to control the actions of his subordinates, and the circumstances in which much of the agitation against the Government was put down caused the indignation to spread to wider circles of the population. One of Koltchak's main difficulties was the enormous extent of territory he was called upon to administer and the slowness of communication between Omsk and Eastern Siberia. These difficulties were accentuated by the presence of numerous Allied troops and Allied policies, and the suspicion that some of the self-styled Atamans in Eastern Siberia were being encouraged to pursue a policy of their own which was not in accordance with the middle course laid down by Koltchak, but for which he and his Government had to bear the responsibility.

So long as all went well at the front the trouble in the rear did not appear menacing, but from the time the great retreat set in the discontent became more and more marked, and the efforts of the Omsk Government to cope with it more and more ineffective. Koltchak made attempts to stem the tide that was turning against him by the promise to convoke a Zemstvo Conference and to confer upon it considerable powers. Unfortunately, this promise only came when his army was in retreat, and before the Conference could meet Omsk had been lost to the Reds on November 15.

Meanwhile, in Vladivostok, where the opposition to the Government had been most outspoken, the so-called Democratic Bloc, chiefly consisting of Social Revolutionaries, with not a few Bolshevik sympathisers, rose in revolt

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against the Government troops. The insurgents gained the support of General Gaida, the young Czech leader, and a pitched battle was fought in Vladivostok on November 17. General Rozanov, representing Koltchak's Government, gained the upper hand, and the revolt subsided. But the suppression of the revolt in Vladivostok did not mend matters. After the fall of Omsk Koltchak transferred the seat of government to Irkutsk, though he himself remained at the front. A new Government of a more moderate tendency was formed under Pepelaiev, but no sooner had it been formed than revolts broke out at Irkutsk. Koltchak himself and his Government have now disappeared as factors in the Siberian situation. His army has ceased to exist, and there is nothing to stop the advance of the Red Army west of Irkutsk. To the east of that town the remnants of the anti-Bolshevik forces under Semenov are engaged in desultory fighting with Social Revolutionaries. The only reliable troops left are the Czecho-Slovaks, who are endeavouring to remain neutral in the midst of the chaos and make their way out of Siberia with all speed, and the Japanese. It is clear that the only opposition the Bolsheviks have to face in Eastern Siberia are the Japanese, and it may be that they will call a halt at Irkutsk and leave events further east to develop as they may for the time being.

III. CONDITIONS IN SOUTHERN RUSSIA

GENERAL Denikin and the Volunteer Army were always looked upon as the one steadfast hope for the liberation of Russia from the Bolsheviks. Not only was Denikin himself much more of a leader than Koltchak, but his army was greatly superior, and he had received much greater material assistance from abroad. The Volunteer Army had held together during the dark months of 1918 when, in spite of their small numbers, they had refused to compromise either with the Bolsheviks or the Germans.

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It was considered that the Volunteer Army alone of the anti-Bolshevik forces had been built up on a firm foundation, and would not disintegrate from within. Those who had come into contact with the army during the summer and the autumn of 1919 were confident that Denikin would weather the new Bolshevik onset and at the right moment would counter-attack and drive back the enemy.

If the military position seemed promising, all was not well behind the front, either politically or economically, and the cause of Denikin's failure is to be sought in his own rear rather than in the strength of the Red Army. The population of Southern Russia had suffered under the Bolshevik occupation, and welcomed the Volunteer Army when it advanced during the summer, but great hopes were placed on Denikin, and people expected from him the impossible. The peasants not only expected that they would be left in undisputed possession of the land they had been encouraged to seize under the Bolsheviks, but that they would now obtain from Denikin the agricultural machinery and the other manufactured goods that they required. But time went on and neither of their expectations was fulfilled. The land question was left to the future Constituent Assembly to decide, and the suspicion grew up amongst them that Denikin's Government was acting in the interests of the landowners, and, if he should succeed, the land might again be handed back to its former owners. Bad as the Bolsheviks might have been, they had at any rate given them the land, and, were Denikin to succeed too quickly, the day of reprisals might come without their being able to resist. By a neutral attitude they might at any rate be able to postpone the day of reckoning.

It was the neutral attitude of the peasantry which proved one of Denikin's most serious difficulties. When finally his Government did attempt to grapple with the land question the result was a compromise that satisfied neither the landowners nor the peasants. Denikin decided that one-third of the harvest sown by the peasants was to be handed over

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to the landowners, that meanwhile the peasants should remain in occupation of the land, but that at the end of two years the whole question should be reconsidered. The inadequacy of this measure was seized upon by Denikin's opponents, and bandits such as Petlura and Makhno roused the peasantry with the cry: "Denikin requires compensation for the land, but we give it to you free." Makhno's Green Guards, which proved such a thorn in Denikin's side when he had to meet the first attacks of the Red Army, were largely the result of the land question. Other causes played their part, such as the licence given by Makhno to murder all Jews and people in authority, but the suspicion that Denikin was in the hands of the landowners was probably the most dangerous weapon against him.

There were other causes for Denikin's failure apart from the land question. There was undoubtedly German influence at work in Denikin's rear. The uncompromising hostility of the Volunteer Army leaders to the Germans, together with the influence exerted by England, augured badly for Germany in the event of Denikin's success. The field was a fertile one for German intrigues. There were two ways in which Denikin's organisation could be undermined, first by encouraging separatist movements in the rear of the army, secondly by encouraging speculation and the disorganisation of transport.

The most troublesome separatist movement in Denikin's rear was that of the Kuban. The Kuban Rada was composed of political wire-pullers and local shopkeepers, and had very little in common with the Cossack population, which is the backbone of the Kuban province. While the Cossacks were at the front the Rada intrigued in the rear. There is evidence to show that not only were they plotting politically with the Hill Tribes in the Northern Caucasus against the Volunteer Army, but they were preventing supplies from being sent to the troops at the front and, by fixing arbitrary tariffs, were impeding the flow of exports from the interior.

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After holding his hand for many months, Denikin became convinced that the Rada had become a hotbed of treachery against the army, and decided to act. The Rada at Ekaterinodar was surrounded on November 18, and the leaders who were known to have plotted against the army were arrested, one of them, Kolobukhov, being hanged. For the time being this put an end to the intrigues, and stopped any further move in this direction in the Don province. But failure at the front makes it difficult to believe that a defeated army will have an easy time in a district where many have good reasons for bearing a grudge against it. If the leaders of the Volunteer Army had undoubted courage and military capacity they were lamentably deficient in political insight and wisdom.

The failure to solve the land question and local Nationalist intrigues probably played a large part in Denikin's failure, but there were other causes that contributed. The administration was never strong, and never able to cope with the growing difficulties of administering the territories liberated from the Bolsheviks. It was always too much of a military character, and those chosen for high positions were not men who inspired confidence. Denikin's programme was far from being reactionary, but, when carried out by his subordinates, its whole spirit was often entirely transformed. Apart from this, there were many glaring cases of corruption which interfered with trade and prevented the proper circulation of foreign goods which were so urgently required by the population.

IV. THE MUDDLE IN THE BALTIC

IN no part of the territory freed from the Bolsheviks was there greater confusion than in the Baltic States. Their relations with the Russians were never clearly defined. The Peace Conference aimed vaguely at bringing about an arrangement between them and Koltchak, but after the

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exchange of notes with Koltchak no further action was taken. Further complications soon followed. The German troops, who, until the Armistice, had been in occupation of Esthonia, Latvia and Lithuania, were not removed after the Germans had been defeated. According to Paragraph 12 of the Armistice, "all German troops at present in territories which before the war formed part of Russia must return to within the frontiers of Germany as soon as the Allies shall think the moment suitable, having regard to the internal situation of these territories." At the time of the Armistice the Allies had formed no plan for supporting the Baltic States other than employing any troops that were on the spot to protect them against the Bolsheviks. It is unlikely that the German Government had any definite plan either, being mainly occupied with its own internal situation, which, during November and December, was very acute. This, however, was just the opportunity for men of the stamp of Von der Goltz, who had been forced to leave Finland, to attempt a new plan of campaign in the Baltic States while attention was concentrated elsewhere.

The growth of Von der Goltz's army in Courland was overlooked by the Peace Conference until it became a direct menace to the security of the three Baltic States. Von der Goltz attracted to his side a number of Russian adventurers under Colonel Bermont who were completely under German influence. Ultimata sent from Paris were ignored by Von der Goltz, and a conflict between the German-Russian troops and the Letts became inevitable. During the summer Von der Goltz had succeeded in overthrowing the Lettish Government, and had replaced it by one subservient to himself. It is true that on this occasion the Allies had intervened and had brought back the legal Lettish Government under Ulmanis to Riga on July 6. But Von der Goltz and his troops were quite undeterred by this failure, and during the next few months had concentrated at Mitza in preparation for a further attack on Riga.

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On October 8 the German-Russian forces advanced to the outskirts of Riga, and for some days shelled the town. British ships assisted the Letts from the sea, but it was mainly due to the Lettish troops that the Germans were repulsed. They were gradually driven away from Riga and forced to evacuate Mitau. The Lithuanians, who had also been molested by the presence of German-Russian troops in their territory, joined the Letts, and the German retreat ended in a rout.

The Peace Conference, which had so far failed to find any solution, now intervened after the Letts had done the work. An Inter-Allied Commission was appointed to superintend the evacuation of the German troops and to put an end to further hostilities.

Meanwhile on the Esthonian front fresh complications between the Esthonians and the Russians had occurred. General Yudenich had attempted, during the summer, to organise a Russian force in Finland to attack Petrograd. While Mannerheim was in power there was a prospect of Finno-Russian co-operation against the Bolsheviks, but, with the fall of Mannerheim, those negotiations came to an end, and Yudenich transferred his headquarters to Reval. He was here joined by a small Russian force which had deserted from the Bolsheviks. After several weeks of organisation and negotiation with the Esthonians, Yudenich launched his attack on October 8. He advanced rapidly to within a few miles of Petrograd, but was there outnumbered by the Reds, who had brought up reinforcements from Moscow, and was gradually pushed back to the Esthonian frontier. The moral effect of the capture of Petrograd would have been very great, and Yudenich's army would undoubtedly have been swollen by desertions from the Reds. Von der Goltz's offensive in Courland, which came at the same time as Yudenich's advance, certainly embarrassed Yudenich by disconcerting the Esthonians, who, with one eye on the Germans all the time, were afraid to commit themselves against the Bolsheviks.

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Since Yudenich's disappearance events in the Baltic have moved rapidly. The Bolsheviks immediately offered the Esthonians peace. The Esthonians were at first afraid to commit themselves until they had learnt the wishes of the Allies, but, when the latter informed them that it was for the Esthonians to act as they thought best, the negotiations with the Bolsheviks were resumed. After long discussion at Dorpat an armistice was concluded on January 3, 1920, and a satisfactory arrangement was made on the frontier question, the Esthonians receiving practically the whole of the territory they claimed on ethnographical grounds.

The other Baltic States had taken no direct part in the negotiations with the Bolsheviks, having merely sent representatives to watch the proceedings. The Letts were anxious to recover Lattgalia (the Western portion of the Government of Vitebsk), which was still occupied by the Red Army, and hesitated to discuss peace with the Bolsheviks until they had won back the whole extent of the territory they claimed. But it was clear that the agreement between the Esthonians and the Bolsheviks vitally affected the other States bordering on Russia, and, on the initiative of the Finns, a conference of the five States—Finland, Poland, Esthonia, Latvia and Lithuania—was held at Helsingfors at the beginning of January. No final decision was reached at this Conference owing to uncertainty about Allied policy. Each of the States concerned is anxiously watching the course of Allied policy towards the Soviet Government, and there is little doubt that they will all fall into line with that policy as soon as it is sufficiently clear for them to take action in accordance with it.

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V. THE PRESENT SITUATION

THE collapse of the anti-Bolshevik Russian forces and the unwillingness of the Baltic States to take any further action against the Soviet Government have diverted attention from the borders of Russia to Moscow. The Soviet Government has for many months past been practically cut off from the rest of the world, and information from Moscow and Petrograd has only trickled through from sources which have not been universally accepted as reliable. Out of the fog of uncertainty that during the last year has been growing thicker and thicker one thing is certain. The Soviet Government has not stood still. It is impossible to believe that its character has not changed very considerably since the Allied missions were withdrawn in September, 1918, and that on many points its purely Communist programme has been modified. It is known that Lenin has not been able to carry out his land policy owing to the opposition of the peasants, and that after many failures he has had to leave the peasants as virtual owners of the land they have seized. He has also been forced to employ so-called bourgeois specialists who are working in increasing numbers in the Soviet administration. He has offered concessions to foreign capitalists, which, if they mean anything, imply that Communism is now forced to compromise with Capitalism. Further, there are signs that in spite of official Communism the old bourgeoisie has only been destroyed to be replaced by a new bourgeoisie that has grown up on the spoils of robbery. In fact, we are not far wrong in assuming that Communism has failed and that the feeling in favour of private property has survived all attempts to extinguish it.

From all accounts that have reached the outside world there are two bodies of opinion in the ranks of the Soviet itself, and this difference of opinion in the Soviet has caused a similar difference of opinion abroad as to the best way to

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deal with the Soviet Government in the given circumstances. Those who believe that the chief tendency in Soviet Russia is towards peace and moderation advise the immediate conclusion of peace with the Soviet Government and the encouragement of trade relations between Russia and Europe. There are many capitalists who advocate this policy for their own selfish ends, quite regardless of the political consequences, but the majority of those who incline in this direction do so from very different motives. There is a widespread opinion abroad that Bolshevism in Russia draws its strength partly from the fact that it has been the victim of foreign aggression, and that by the continuance of the blockade we have provided it with a potent weapon for maintaining itself in power and resorting to extreme measures in self-defence, and partly from the fact that it has represented itself as fighting to preserve the fruits of the revolution against the reactionaries. It is argued that once the blockade is removed, all external aggression abandoned, and the military counter-revolutionary movements has collapsed, the Bolsheviks themselves will have no further argument to justify their tyranny. Then the Moderate party, which is said to be represented by Lenin, Krassin, Chicherin, Lunarcharsky and others, will be able to assert themselves against the firebrands who owe their influence to the support of the Extraordinary Commission. Once there is no further excuse for fighting the Red Army will melt away as did the Tsarist Army, and the Soviet Government will find it quite impossible to hold it together and use it for aggressive purposes. Those who argue in this way demand not only peace with Soviet Russia, but the recognition of the Soviet Government, and the assurance on our part that no further military attempts to overthrow the existing Government will be made by the Allies, provided that the Soviets on their part guarantee that they will leave the Border States alone, will cease their agitation in the East, and will engage to abandon all propaganda in those countries with whom they find themselves

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at peace. The assumption is that the Russian people, tired of five years' war and strife, will force the Bolsheviks, whether they like it or not, to put in their pockets their plans for world revolution, and to yield to the pressure of moderate opinion in Russia, and turn their attention mainly to peaceful and practical objects, if they are to remain in power.

Those who accept these arguments believe that the changes which have taken place in Russia have in reality brought about the destruction of Bolshevism in its original violent form as a system of government, that the Bolsheviks themselves recognise that Russian opinion is against their extreme courses, and that, if they are to preserve themselves and their system at all, they must accommodate themselves to that opinion. They admit that their policy is an experiment, but they refuse to believe that Russians can be so mad as not to take advantage of the opportunity now being offered to them to gain peace and a chance of prosperity for themselves, and to re-establish normal political and economic intercourse with other countries.

This view of the situation is strongly combated by others who do not believe that Bolshevism either can or will change its spots. The policy of concluding peace with the outside world is the official policy of the Soviet Government, which, presumably, expects to profit by it. Whatever differences there may be in the Soviet Government on certain points, there is no difference of opinion on the question of peace. Zinoviev, the dictator of Petrograd, who is one of the bulwarks of the notorious Extraordinary Commission, has been just as outspoken in favour of peace as Lenin. Nobody could accuse him of any inclination towards a more moderate policy or of any desire to see the reins of power slipping from his hands. It is fair to assume that the extreme party in the Soviet Government, whether they are right or wrong in their calculations, have no fears that the advent of peace will mean their own downfall.

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According to this view, even supposing that peace will bring dangers to the Soviet Government, it is reasonable to suppose that the Government itself has foreseen these dangers, and has long since laid its plans to meet them. The mainstay of the Government has been the Red Army. The formation of this army has been one of the main achievements of the Bolsheviks. It may not be a good army compared with other European armies, but it numbers more than 1,000,000, and it has scored a series of decisive victories over the other Russian armies that had foreign support. It is the one force upon which the Soviet Government can rely, and the disappearance of this force would mean the disappearance of the Government. It cannot be likely, therefore, that the Government will voluntarily disband their sole means of protection, unless, as is now openly hinted, the Bolshevik leaders are becoming frightened of the Frankenstein they have reared, and are anxious to disband it lest it devour them. The future of the Red Army has been exercising the minds of the People's Commissars for some time past, especially now that the question of peace has come to the fore. On December 10, 1919, at the Seventh Congress of the Soviets, Trotsky dealt with this very question in the following words :

The question of demobilisation is a very complicated one. We have already considered it in advance. This is justified by the change in our international position, which has been set forth at this Congress.

- If we speak of concluding peace within the next few months, it will not be possible to call this a lasting peace. So long as class States remain, so long as powerful centres of imperialism remain in the Far East and America, we cannot exclude the possibility of the peace which we, perhaps, shall conclude in the near future, being again only a prolonged "respite" for us. So long as this is possible, we cannot consider disarmament, but only a change in the form of the armed forces of the State.

On January 15, in the Bolshevik wireless, the nature of the change referred to by Trotsky was further explained. The "Third Workmen's and Peasants' Army" is hence-

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forth to be known as the First Revolutionary Army of Labour. Its main work is to be the preparation of food-stuffs and fodder, the organisation of transport, principally by introducing compulsory commandeering of carts, the repair of agricultural machinery and agricultural work. Then follows the most instructive passage: "Discipline must remain as strict as it was at the front. The organisation of the army must be maintained with great strictness. Absence without leave must be punished with the greatest severity." It is curious that it should be the leaders of the proletarian revolution who should be the first to introduce conscription for labour purposes. If the Red Army does remain in existence it must be a constant source of danger to all Russia's neighbours, and it is not an unnatural suspicion that the peace, which Trotsky calls a "respite," is intended by the Bolsheviks as nothing more than an opportunity of strengthening their own organisation, which at a later date they may use for aggressive purposes in the name of the international proletariat.

As to which of these two views is correct time alone will show.

VI. THE NEW ALLIED POLICY

ON January 16 the Supreme Council in Paris enunciated a new policy towards Russia. It was decided to open up trade relations with Soviet Russia through the Co-operative Societies with their representatives in London and Paris. According to the official announcement this implied no change of attitude towards the Soviet Government. It was explained that one of the main considerations which influenced the decision was Europe's urgent need for grain. The surplus of grain which America can export to Europe is a gradually diminishing quantity. Moreover, if Europe is to rely solely upon imports from America, the excess of imports over exports will affect the European exchanges

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adversely and will make the situation intolerable in its effect on prices.

Before the war Russian exports were of vital importance to Europe. The export of grain alone amounted to nearly 9,000,000 tons, that of timber to something over 5,000,000 tons. Flax was another very important item, and the linen industries of Belfast and Dundee depended very largely on Russian supplies. It is reported on good authority that in various parts of Russia large stocks of these raw products have been stored and that, once the difficulties of transport could be solved, Europe might benefit very considerably by the resumption of economic relations with Soviet Russia. Not only would such relations help to reduce the cost of living in this country, but they would relieve the burden of supplying the Russian border States and would do more than anything else to give Poland the economic stability which she at present lacks.

On the other hand, it is contended that if once trade with the outside world is resumed, the Russian people will insist on peace both at home and abroad. At present they are short of raw materials for their factories, and the peasants have no inducement to work or even to return to their homes, because they can neither sell their crops nor buy the boots and clothes and lighting and other necessities which they require in return. Hence it is not so difficult for the Soviet authorities to recruit for the Red Army by promising food and excitement and loot for those that join it. Once, however, trade recommences, and the danger from foreign attack or internal reaction disappears, the Soviet monopoly will cease, and the people of Russia will insist on the restoration of normal conditions at home and normal relations abroad.

If it be granted that no stone should be left unturned in order to obtain Russian supplies for Europe, it is clear that some such policy as that now outlined by the Supreme Council is inevitable. It is not a clear-cut policy and there are many holes that can be picked in it. Like the previous

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policy of supporting the anti-Bolshevik Russian Governments without at the same time giving them full recognition, the present policy is a compromise. It is based on the assumption that the Soviet Government has not been able to interfere to any great extent with the organisation of the Co-operative Societies in Russia, and that the latter are more representative of the Russian masses than the Soviet Government. For this reason recognition of the Government has been withheld and the Co-operative Societies, backed by the promise of supplies from abroad, are to be left to work out what terms they can with the Soviet authorities.

If the Co-operatives succeed they will have provided the ideal solution of the Russian question, which has disturbed Europe for more than two years. But they will be dealing with men who are masters in political strategy, and their difficulties will be enormous. Lenin knows very well how to yield and how far to yield at the critical moment, but he has so far shown a rare judgment in sizing up a political situation and emerging from it with colours flying. Judging by past experience, one is forced to the conclusion that any compromise Lenin may make will be more to his advantage than it will be to the other side. Lenin may agree to have his hands forced in certain directions, as it is necessary for his regime to obtain certain supplies from abroad, but in the long run he will hardly deprive himself willingly of those forces upon which he has hitherto relied in order to impose his will at the decisive moment. The Co-operatives may indeed be allowed to play the chief part in the distribution of goods, but what will be Lenin's price for such a concession? It will scarcely be anything short of full recognition of his Government by the Allies, and with recognition other things will follow.

Conclusions

VII. CONCLUSIONS

IT is clear that ever since the Prinkipo proposal two views have been struggling for predominance about Russia. One was the view that in Bolshevism you had a movement, so autocratic, so demoralising, so potent in its effect on those with whom it came in contact, that it inevitably destroyed the existing order of society ; that the essence of this movement was world revolution ; that it could only exist on conquest and expansion, and that either it had to be crushed out by military means in its lair, or it would eventually conquer the world. As in the case of Prussian militarism, the motto of Bolshevism was world dominion or downfall. The other view did not dissent from the first about the nature of Bolshevism itself, but it regarded its hold on any people, including the Russians, as transient. It took the French revolution as an example of what was likely to happen. For a time the revolution would be dangerous, but ere long disillusionment would set in, the dreams and promises of paradise would not come to reality, and the mass of the people would insist once more on moderation and regard for the ordinary amenities of life and government. According to this view the greater danger would come from foreign intervention in favour of the representatives of the *ancien régime*, because, as was the case in France a century ago, this drove the national and patriotic forces to coalesce with the Terror, and enabled the revolutionary leaders to create a national army backed by national enthusiasm, which might become a real menace to the world.

There is no doubt that so far as the facts are concerned the latter view has proved correct. The revolution has triumphed in Russia, and has attached to itself the great bulk of the national feeling of Russia. Whether it would have collapsed or become moderate at an earlier date, if it

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had been left alone, or whether it could have been destroyed if the Allies had really attacked it, is a speculation which like all the other speculations as to what might have been in Russia, it is profitless to pursue. Whether, on the other hand, a new Napoleon is going to arise to lead not a revolutionary but a national army against Europe, the future alone will show. The probabilities are certainly against it, for, contrary to the earlier precedent, the Russian revolution arose out of several years of trench warfare, which must have cured every Russian soldier of the glamour of war against Western armies.

For the moment there is clearly only one thing to do, to try and bring about peace and normal conditions in Russia. It is not our business to dictate to the Russians as to how they should govern themselves, provided they respect the ordinary canons of international conduct. If Soviet Russia is prepared to make peace on fair terms with its neighbours, if it is prepared to refrain from active revolutionary propaganda in countries with which it is at peace, if it is prepared to reduce its armies to a figure which does not menace its neighbours, it is clearly time to make peace. We may not like the Soviet regime. Neither did we like the Tsar's regime. Very possibly the Russian people themselves will change it for something more democratic directly the condition of war is brought to a close. But the existing system of government has maintained itself in power for more than two years, it is clearly supported by the Russian people rather than the Koltchak-Denikin movement, and therefore, provided it behaves itself properly in its international relations, and abandons proscription and murder at home, there seems no reason for blockading 150,000,000 people, and perpetuating, apparently for ever, the state of war.

On the other hand, the re-opening of trade relations with Russia is vital. Before the war Russia supplied an immense quantity of foodstuffs and raw materials for Europe, and consumed great masses of manufactured goods in return.

Conclusions

Prices and economic conditions will never return to normal either in Russia or the West until the economic circulation of Europe is once more restored. Moreover, the most vital interest of the British Empire and of the Allies is that a new war should not be allowed to develop in Central Asia. No doubt we could deal with that problem as we dealt with the war itself. But it would be a drain on our resources and a drag on reconstruction. The best preventive is that Russia should become once more a normal member of the family of nations. There is certainly no sense in encouraging the continuance of war, which must mean the further upsetting of Asia, until we are certain that Russia in 1920 cannot be trusted, and that the peace offers of this people, after six years' foreign and civil strife, are no more than a blind for fresh war. It is probably the truth that all Europe, including Russia, is alike weary of aggressive nationalism and aggressive internationalism.

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A STUDY IN INTERNATIONALISATION

The following article is contributed by a writer with first-hand knowledge of the situation in Tangier, and is printed as a study of the practical effects of international administration as distinguished from international responsibility.

THE origin of the anomalous situation of Tangier must be sought in a series of treaties. These treaties, and the protection their clauses afforded to Europeans and to European interests in Morocco, were necessitated by the state of fanaticism, insecurity and opposition to all progress existing in the Moorish Empire. The most important were the British Moroccan Treaty of 1856 and the Spanish Moroccan Treaty of 1861, for on them was based the system of "the Capitulations," which still to-day pertains in the Tangier zone of Morocco, and to a lesser extent in the French Protectorate and in the Spanish sphere of influence. In 1880 was signed the Convention of Madrid, which codified the regime of the "Capitulations" and extended the benefit that accrued from them to the subjects of all the Foreign Powers. Tangier, being the diplomatic capital of Morocco, was more especially affected. It was not, however, till about the year 1900 that European attention was seriously turned toward Morocco, and from 1901 onwards till 1912, when the Treaty of the French Protectorate was signed, there came into existence a series

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of "agreements," "accords" and "arrangements" regarding the Moorish Empire. Reference need only be made to such as affect Tangier directly.

The Growth of "Accords"

In 1904, as a result of the welcome Entente between England and France, an "accord" was signed between the Governments of those two Powers whereby the respective rôles of England in Egypt and France in Morocco were determined. England declared that she abandoned all political interests in Morocco, France made the same declaration as regards Egypt, and each Power mutually undertook to support the other's policy in Egypt and Morocco respectively. Article 7 of this "accord" stipulates that Great Britain and France shall mutually permit no fortifications to be erected on the north and north-west coasts of Morocco between Melilla on the Mediterranean and the mouth of the Sebou river, about 130 miles down the Atlantic coast—with the exception of such points on the Mediterranean coast as were actually in the possession of Spain—Ceuta and some of the smaller "Presidios." Although this treaty was at first confined to Great Britain and France, it was stipulated, in Art. 8, that the French Government should come to an arrangement with Spain on the Moroccan question. In October of the same year (1904) France and Spain came to terms on the subject of their respective spheres of influence, and an arrangement to this effect was signed. Article 9 of this Franco-Spanish agreement states: "The town of Tangier shall preserve the special character which it owes to the presence of the Diplomatic Corps and to its municipal and Public Health privileges." These "accords" of 1904 formed the origin of the splitting up of Morocco into spheres of influence.

In 1906 the Conference of Algeciras met, ostensibly summoned for the purpose of introducing reforms into

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Morocco. Its direct bearing upon the question of Tangier was small, except in that it added to the already existing "Capitulations" a fresh admixture of internationalisation. A foreign-officered police force, European intervention for the prevention of contraband of arms, the founding of an International "Banque d'Etat," the reform of taxation under European advice, the right of interference in the administration of the Custom Houses and of Public Works were envisaged by this Convention, which, useful in that it put a check to German pretensions in Morocco, did little to ameliorate the internal situation of the Shereefian Empire. At the most it was a provisional Convention, increasing the interventionary rights of Europe in the administration of Morocco and legalising what amounted almost to control on the part of the representatives of the Foreign Powers over practically the entire public services of the country. It was the putting of new wine into old skins. The tottering edifice of Morocco could not withstand the influx and a very few years later collapsed altogether. As a matter of fact, the provisions of the Convention of Algeciras, as circumstances eventually came about, hindered progress and prosperity in Morocco by enforcing complicated and unpractical limitations to the civilising efforts of the European Powers. The Treaty of Peace has, however, as far as enemy States are concerned, annulled its action, and no doubt negotiations between France and her allies will free her from its retarding restrictions and many of its almost useless and quite unnecessary limitations.

In 1911 the Franco-German agreement was signed, after a critical period that nearly led to war. The only clause in this agreement directly affecting Tangier was the undertaking by France that no commercial railway should be put up to tender before the Tangier-Fez line—a clause that has retarded all railway construction in the French Protectorate, where even nowadays in place of broad gauge lines there exist nothing more than narrow railways,

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constructed for military purposes, but now being used for commercial traffic.

In 1912 France signed with the Sultan Mulai Hafid the Treaty of the French Protectorate. Again Tangier is referred to only in one clause—namely, “The town of Tangier shall continue to guard its special character, which has been recognised, and which shall determine the form of its municipal organisation.”

In the following November was signed the Franco-Spanish Agreement of that year (1912), defining the limits and extent of the French Protectorate and the Spanish sphere of influence, together with their form of government and administration. Article 6 recapitulates Clause 7 of the Franco-British Agreement, and Spain agrees to abide by the undertaking therein contained that no fortifications should be erected on the Moroccan coast between Melilla and the mouth of the Sebou river. Article 7 states: “The town of Tangier and its ‘banlieue’ shall be granted a special regime, which shall be decided upon later.”

Such is the vague situation of Tangier as defined by treaty. It may be described rather as a negative than as a positive situation. The town and its zone fall in the sphere of influence neither of France nor of Spain, and its status is left indefinite and untouched pending a decision upon its ultimate fate.

The solution of the question has never been brought about. In 1913 a Commission, consisting of an Englishman, a Frenchman and a Spaniard, met at Madrid for the purpose of drawing up the International Statute of Tangier. The contents of this Statute have never been made public, and probably never will be, for it has since been recognised by those who have had the privilege of studying it that it was unpractical, impracticable and extravagant. So jealous were the Governments of the interested Powers to obtain satisfaction that the proposed administration came at last to resemble a tower of Babel for the employees of

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Tangier's local government were to be chosen from the subjects of all the interested nations. Justice was to be administered by British, French, Spanish and German judges, at a price which the revenues of Tangier would be quite incapable of paying, and so throughout the entire proposal. This International Statute of 1913 is dead. It can never be revived in its existing form, though it may be referred to as a precedent. Its publication alongside of a statement of the revenues and resources of Tangier would be a death-blow to internationalisation as envisaged in Madrid in 1913. On the outbreak of hostilities in 1914 this International Statute was on the point of being signed. The war saved the situation. England and France were still prepared to sign, but Spain hesitated and refused. Whatever the reason, the International Statute remained unsigned and the war ran its course.

Powers of Diplomatic Agents

Tangier is the diplomatic capital of Morocco and the residence of the representatives of the Foreign Powers. The position of these representatives has been, and is, unique. It can be likened, only on a smaller scale, to that held at a certain period in the past by the Ambassadors at Constantinople, for both in Turkey and Morocco the regime of the "Capitulations" held good. These "Capitulations," by granting extra-territorial rights to the subjects of Foreign Powers in Moroccan territory, greatly added to the influence and prestige of the representatives of the Powers, who were not only charged with their diplomatic and Consular duties, but became also magistrates and judges in so far as the subjects of the Governments they represented were concerned. In a land where security of life and property was never fully assured, where misgovernment was rife and corruption universal, these extra-territorial rights were absolutely necessary. Without them

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neither the lives nor the properties of the European population would have been safe, either from the native tribesmen or even from the Makhzen (Moorish Government) authorities, who would not have hesitated to enrich themselves at the expense of the despised "Christian." One has only to look back upon the past history of Morocco to appreciate what would have been the conduct of the Sultans and their officials if the security of "Christians" had not been guaranteed by Treaty, and rigidly enforced. It can thus be readily perceived that every clause of every successive Treaty that has tended to ameliorate and secure the lives and properties of Europeans in Morocco has equally diminished the authority of the Sultan and added to the influence and power of one and all of the Foreign representatives. What the Sultan abandoned passed not entirely into the hands of a common or even collective authority, but largely into the individual administration of each separate representative, who alone had authority over the subjects of the Power he represented. Nor was this accumulated authority diminished by the system of the "Protection" of natives, which was introduced by the Convention of Madrid in 1880 to safeguard the interests of European merchants by placing their native agents to varying extents under the protection and jurisdiction of the foreign Governments. This "Protection" system, legitimate in its conception, became in a short time a scandalous abuse. It was used in the highest quarters for political intrigue and elsewhere for gain and extortion. "Protection" was openly bought and sold, even, it is regrettable to have to state, in European official circles, and the employees of many Consulates traded in this commodity. Its value can be appreciated, for it withdrew the "protected" native from the jurisdiction and the extortion of the native authorities, and gave him in return innumerable occasions for increasing his wealth at the expense of his less fortunate and unprotected brethren. For all these reasons the representatives of the Foreign Powers at Tangier, and to a less

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extent the Consuls in the coast towns, were not only the supreme authority over the subjects of their respective Governments, but became as well to all intents and purposes the Governors of a host of "protected" natives, whose liberty of action thus obtained, *vis-a-vis* to their own Sultan, led to every kind of abuse.

Nor were these the only powers that the foreign representatives at Tangier wielded. A succession of Sultans, perplexed and worried by repeated questions of public health, municipal hygiene, quarantine, restrictions of trade, licensing, etc., delegated to them from time to time certain administrative functions. In order to carry them on, the representatives formed themselves into a permanent commission known as the "Conseil Sanitaire," which still exists to-day. Their duties, emanating from the Sultan, were increased by the usurpation—often an entirely justifiable usurpation—of other rights, and in time they became the paramount authority on all questions that touched the welfare of the European, and largely of the native, population. The Makhzen (Moorish Government), represented by local native officials, naturally existed, but only as a parallel and diminished authority restricted, and in many cases directed, by the "Conseil Sanitaire" of the European representatives. The Makhzen's authority became, in fact, limited to its own subjects, and only to such of those as legally or illegally could not claim some form of European "Protection." The Moorish civil court, where Islamic law was in force, remained in name intact, but even there European influences—often official—were brought to bear. Between extraneous interference and innate corruption the Moorish civil court was iniquitous. As the work of the "Conseil Sanitaire" increased, an elected body, the "Commission d'Hygiene," was brought into being, to which were referred all such questions as the "Conseil Sanitaire" had not time, or considered beneath its dignity, to discuss, such as the cleaning of the streets, the lighting of the town, and such like. Its decisions were not final,

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and every matter had to be referred to the "Conseil Sanitaire" for confirmation. It quickly became the cockpit of international jealousy and strife.

The "Conseil Sanitaire," consisting of representatives of the Powers, is perhaps a unique institution. It is a conclave, responsible to no authority, unelected and sitting in secret. Its decisions are final; there is no appeal. It publishes no report of its actions, and furnishes no accounts. It is completely out of touch with the public, whose opinions it appears purposely to ignore. It promulgates edicts which are not always obeyed, for though it considers its decisions to be uncontroversible and infallible, its executive powers are of the smallest. Its methods of enforcing its authority vary according to the laws of the country of each of its members, for it has no collective executive jurisdiction. For instance, to render British subjects amenable to a decision of the "Conseil Sanitaire," recourse often has to be made to a special "Order in Council" from the Privy Council in London—a practice the legality of which is also at times open to question, and has been successfully contested in other countries where similar procedure exists. Estimable as these diplomatic and consular authorities may be, it is permissible to ask whether the experiences of their careers are adequate for the administration of a town of fifty thousand inhabitants, and for judicial authority over its European subjects—for they act as judges in the Consular Courts. Their commercial experience is naturally extremely limited. No profound technical knowledge on the questions of public health, of hygiene, of police regulations, of labour, of taxation, and even of traffic control, can justifiably be expected, and yet for all these matters, and others of equal importance such as the public works, they are the responsible and ultimate authority. It is not unseldom the case that the representative of a Foreign Power, being himself unable or unwilling to take part in these deliberations, nominates to represent him on one or other of these Boards the latest joined youngster

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who has just passed his examination and entered the service.

Great as are the powers ceded by the Sultan to the "Conseil Sanitaire," the right of intervention in the affairs of Tangier by the foreign representatives is not restricted to this delegated authority. They form also part of other international commissions—the "Commission des valeurs douanières," the "Comité des Douanes," the "Comité special des Travaux Publics," etc., etc., all of which, it might be inferred, would require some technical knowledge and experience. These various and varied qualifications thrust upon a body of Diplomatic Agents and Consuls have given openings for many errors of commission and still more of omission. In the first place, the very composition of such a "Board," on which no two members are of the same nationality, precludes, in a town where international jealousies and friction are rife, the possibility of almost any unanimity, cohesion, or even goodwill. Not only does each member hail from a different country, but they are also one and all strangers to Morocco. The *raison d'être* of their appointment is not to ameliorate the situation of Tangier, but to further the interests of the country they represent, and often these two tasks are incompatible. Nor can they be expected to take a real interest in the welfare of a place which they often find uninteresting and unattractive, or of a people that as likely as not is unsympathetic to them. It is too much, moreover, to ask them to undertake a perpetual and ungrateful struggle against administrative anarchy, when every organisation with which they come in contact is defective. It is, in short, their misfortune rather than their fault that Tangier is to-day an example of bad government and callous indifference.

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The Moorish Government

Parallel to this "internationalisation" there exists the Moorish Government or Makhzen, whose functions are limited to jurisdiction over unprotected natives—and often, owing to European interference, not even to them—and whose sole judicial authority is in the Moslem law courts; and even here European influences make themselves felt. And yet this Moorish Government, with its "Representative of the Sultan," its "Pacha," its "Cadi," and its other officials, is the sole *legitimate authority*; for Tangier remains, and will always remain until its definite status is decided upon, part and parcel of the "old Morocco." Even here the administrative anarchy is complete. It could not be otherwise, for the native authorities have never received from the Sultan or from the Government of the French Protectorate the guidance necessary for the successful accomplishment of their difficult and much curtailed duties. There is no machinery yet existing by which the French Protectorate Government can sufficiently control the actions of the Tangier native authorities, and corruption and injustice are common both in the civil and criminal courts. The Sultan's Representative must be excepted. He is a gentleman of ability and integrity, and fills his difficult post with tact. His duties are diplomatic and not executive.

It has been shown how the intervention of the European Powers in the affairs of Morocco gradually gave rise to a system of internationalisation at Tangier, unrecognised, it is true, by statute, but none the less actual and effective. The situation thus created was anomalous. Each foreign representative, while retaining plenary jurisdiction under the particular laws of his country over the subjects of the Government he represented, had also his share in the direction of practically every branch of the administration of the Government to which he was accredited. The result was anarchy, for the first and foremost duty of each of these representatives was clearly to further the interests not of

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Tangier and its mixed population, but of the Government he served ; but in Tangier the interests of each Power seem to have been, and to be to-day, diametrically opposed both to the interests of all the other Powers and to those of Tangier itself. The anarchy that ensued will be more readily appreciated when it is remembered that every representative of every Power inherited, on taking up his post at Tangier, not only the legacy of intervention, but also the heritage of jealousy and suspicion that his predecessor, and their predecessors, had left behind them. There is not a foreign official building that is not infested with the microbe of "friction," and infested to such an extent that nothing less than purification by fire could efficiently eradicate it. This microbe permeates the whole official life at Tangier and spreads to unofficial circles. Alliances, ententes, and the maintenance of goodwill are often subordinated to petty questions of nothing but local importance. For years past the policy of the Governments of the Powers represented in Morocco has been to try to prevent any possible rival—and here all the world is a rival—from carrying out any work of any description that might even indirectly add to the prosperity, the health, or the happiness of Tangier's population. Every good and charitable act or intention was considered as "political propaganda," and every enterprise as an attempt to obtain an "illegal advantage." The result is Tangier as it exists to-day.

Justice and Public Health

There is no need to make a catalogue of Tangier's ills and injustices, but mention must be made of one or two points of the flagrant administrative anarchy existing there. Let us take justice first. The extra-territorial rights guaranteed by the regime of the "Capitulations" place the subjects of all the Foreign Powers under the jurisdiction of their own consular officers—the result of which is that there are a dozen consular courts administering—often badly and not always honestly—a dozen different codes of

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law. To the European resident—who has very little confidence in the judicial efficiency of his own consular court, and none at all in that of others—this multiple system of justice is particularly annoying and eminently unsatisfactory. It complicates his business, impedes progress and breeds ill-feeling. To the native it is a gross injustice. A complaint made by an European through his consulate against a Moor leads, as a rule, to the immediate arrest and imprisonment of the Moor, often to the payment of compensation to the complainant, and always of a fine—legal or illegal—to the native authorities. The trial—if there is one—is generally a farce, and it is often considered preferable by the judge to imprison an innocent Moor than to have a dispute with the consular authorities of the complaining European's nationality. If, on the contrary, a Moor has a complaint against an European, he must present himself at the consulate of the nationality of that European. He is told that he must take out a summons and prosecute under the particular code of law—out of the dozen recognised in Tangier—of the defendant. Often he is asked to lodge a fee as well. He does not know how to take out a summons, he dare not prosecute under a code of law of which he is naturally absolutely ignorant, he speaks no language but his own, and usually has not the money to pay a fee. He abandons his case in the impossibility of obtaining justice. In the native courts almost every verdict can be bought, and in their precincts almost any false document drawn up, whether it be a claim to the scanty belongings of widows and orphans, or the title deed to a Government property.

Let us turn for a moment to the question of hygiene and public health, with which, by delegation from the Sultan, the representatives of the Powers are collectively entrusted. There is no native hospital at Tangier. There are dispensaries—excellent in one case, but quite inadequate to the demand made upon them—and one or two rooms into which a few, a very few, sick natives are received—and

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that is all. There are no qualified doctors to visit the native sick unless those sick are of the richer classes and can pay the fees. The rest lie down and suffer—or die, as the case may be—uncomplaining, untended and unsympathised with. When last year Tangier was ravaged by the influenza four weeks elapsed before those responsible for the “public health”—that is to say, the representatives of the Powers, acting as the “Conseil Sanitaire”—held a meeting, and at that meeting they decided to do nothing.

Struggling to-day to eke out a bare existence, in surroundings of abject neglect and dirt—for such public moneys as are forthcoming are spent upon the official European quarter of the town—hampered by want of work, by high prices, and by the terrible shortage of water, the life of the poor Moslem of Tangier is pitiable. There is no officially organised charity to relieve native distress, no home for widows and orphans, no lunatic asylum—except the common prison—and no organisation of labour. No social legislation is undertaken. There is no limitation to the sale of the foulest of intoxicating liquors. Drinking and gambling hells and brothels, unlicensed, unsupervised and uncontrolled, open and close when and where they will. And yet there is little crime, for by nature the people—just as they are retiring and uncomplaining in their sufferings—are law-abiding and sober in their ordinary lives.

It is often argued that were Tangier to possess a “real” Statute of Internationalisation, all these ills would be remedied. It is possible but very improbable. It is difficult to see why after years of International callousness and indifference the legalisation of a Statute should persuade the leopard to change his spots. As long as political jealousies exist, as long as the aims and interests of the Powers represented in Tangier remain diametrically opposed, there can be little good government, nor as a matter of fact any government at all. Woe betide the people whose destiny is entrusted to a score of administrators different by nationality and indifferent by nature.

UNITED KINGDOM

I. THE FUTURE OF PARTIES

THE ROUND TABLE goes to press, in the early days of February, amid a heated discussion, alike on the platform and in the newspapers, of the future of political parties. A series of by-elections—that at Paisley is still undecided—have greatly reduced the majority of every Coalition candidate and gone decisively against the Liberal remnant who stand aloof from the Coalition. In all of them the Labour Party have made solid progress : in one case, that of Spen Valley, Labour has won the seat in a three-cornered fight. Meanwhile events in the House of Commons have exposed the growing incoherence of the Coalition wherever the new situation touches on ancient party controversies—as, for example, in the so-called Anti-dumping Bill, introduced before Christmas, to govern the resumption of trade with enemy countries. There are renewed signs of an attempt to consolidate the Coalition from within by creating from it a “Centre Party”; but its authors are still at variance about the purpose and composition of such a body. The Lord Chancellor describes the Coalition, of which he is a member, as “an invertebrate and undefined body” and regards the formation of a National Party as “indispensable.” Mr. Churchill describes the Labour Party as “still quite unfitted for the responsibility of government.” Lord Haldane, on the other hand, abandoning his old Liberalism, finds his

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"faith in the future of Labour growing deeper" and founds on it his hopes for to-morrow. Lord Salisbury, writing in the Press, seems to suggest a break-away in the direction of the old Conservatism; while his brother, Lord Robert Cecil, equally critical of the present Government, has set out his views on current problems in a volume of somewhat nebulous idealism which commits him to no particular line of cleavage. And the party newspapers, rushing to over-emphasise every symptom that suits their own attitude, have contrived to render the apparent confusion far greater than it really is.

The plain truth is that there is nothing in all that has happened so far to surprise any careful student of the House of Commons elected in December, 1918. The popular verdict on that occasion was overwhelming and was backed by excellent rough-and-ready reasoning. Partly because of his unquestioned services in the war and partly because he was the obvious indispensable pilot for the Peace and the reconstruction, the country returned Mr. Lloyd George to power by a majority which far exceeded every precedent in history. There was no need to seek an explanation in astute electoral management. The opponents of the Coalition at that time were admittedly overthrown in bulk because their leaders, whether Liberal or Labour, were suspect of half-heartedness about the war or of shortcomings in its conduct. Even the Coalition, never an attractive platform, were welcome because the common sense of the nation realised that no one party could hope of itself to carry out the immediate national programme.

But so great a triumph was always certain to produce its reaction. War services and war failures were never likely to be remembered long. Mr. Lloyd George's own unconcealed anxiety for a large majority may be attributed at least as much to his anticipation of its wastage as to any notion that it would form a comfortable support. In any case the inevitable wastage is taking place, and the amazing

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thing is that the loss of votes by the Coalition at by-elections up to the present time should even be thought significant. The Spen Valley result of December 20, commonly described as a "portent," was in fact the most inevitable of them all. Here a strong local Labour man, Mr. Myers, was opposed by Sir John Simon, one of the ablest leaders of the non-Coalition Liberals, and by a Coalition Liberal in the person of Colonel Fairfax, whose services in the firing-line never counterbalanced his political inexperience. The result itself was hardly even in doubt. What is really in doubt, and may be disputed *ad infinitum*, is whether a Labour victory in a working-class constituency, based on little more than one-third of the votes polled, is sufficient to constitute a portent; whether Sir John Simon's middle place is to be regarded as a triumph over the Coalition or a rejection of "free Liberalism"; and whether Colonel Fairfax's position at the bottom of the poll was due to anything more far-reaching than a comparison of personalities, which are always more prominent in by-elections than in a general appeal to the country as a whole. Of the other half-dozen by-elections which have taken place during the last three months four seats—Croydon, Plymouth, St. Albans, and Bromley—have been retained by the Coalition with diminished majorities, while the other two—Thanet and Chester-le-Street—fell respectively, without opposition, to an independent candidate backed officially by the Unionists and to Labour—in each case repeating an unopposed election in December. The one outstanding contest among them all was in Plymouth, where Lady Astor succeeded in polling more votes than her Liberal and Labour opponents together, and thus became the first woman to take her seat in the House of Commons. In Plymouth, just as in Spen Valley, the result was a tribute, easily foreseen, to long years of local work and to the power of personality.

Beyond a certain inevitable wastage of the Coalition and a steady growth of the Labour vote, there is little room

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for generalisation here. The Prime Minister retains his position—always stronger in the country than the newspapers suggest—very largely because the forces which supported him last year have never been seriously weakened by any effective opposition. No one has yet emerged in the House of Commons with any pretensions as a formidable rival, and the general level of critical capacity is notoriously low. The hostile Press, which might have rendered incalculable service in this capacity, lies open to far more serious charges of precisely the same shortcomings which it denounces in Mr. Lloyd George. It is impossible to forget that the very voices which are arraigning him to-day for a policy of trading with Russia were urging the Allies a year ago to “sink their pride and get into communication with the Bolsheviks.” It is equally impossible to forget that his personal intervention in Labour disputes, which they now profess to regard as disastrous, was the direct result of a Press agitation in the self-same quarter, or that his opponents, clamouring for consistency in others, contrive in one breath to combine the most expensive form of foreign policy with an anti-waste, and especially an anti-militarist, campaign.

Mr. Lloyd George may well afford to ignore this type of criticism. Indeed, the one real value of its personal rancour against himself is that it may even redeem him from his worst fault of paying over-much attention to newspaper agitation. Half his troubles have come from sudden changes of course in response to what he believed to be genuine popular movements. The appalling pledges given at the General Election are the most conspicuous case in point, and they have hung round his neck like a millstone throughout the long negotiations in Paris. His position in this country was safe enough without them. He would have won universal respect, and quite sufficient support, if he had utterly refused to allow the great questions of the Peace—the German indemnity, the feeding of Europe, the future trade relations of the world—to be made

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the sport, in advance of any serious discussion, of an electoral campaign in this country. Most of the pledges have in fact been whittled down by events, however closely fulfilled to the letter. In so far as they stand, they are still responsible for the worst features of the Treaty of Paris, which the men who exacted them are the first to denounce. If the Prime Minister has learnt by hard experience the futility, to put it at the lowest, of paying attention to the clamour of the moment, he may even yet emerge from the transition period without the gradual loss of a great reputation.

His immediate task as a political organiser—a rôle in which he has no rival—is to crystallise and define his still gigantic following. Broadly speaking, events in Great Britain point to a revival of the old two-party system, which in theory finds general support. As Labour tends more and more to attract to its ranks an element of the workers by brain as well as by hand, it gradually assumes the position on the Left, though by no means the principles, of the old Liberal Party. In opposition to it at present stands the Coalition—consisting of a majority of the old Liberals and practically the whole of the Unionist forces, by no means unsympathetic with Labour as such, but tending more and more to assume the position of the old Conservatives as the party of the Right. The fact that the Coalition is on the whole more hostile to the dissentient Liberals than to Labour, and that it contains an active element which would like to work with the moderate Labour leaders, can hardly affect the general tendency. The process towards a two-party system may conceivably be delayed by a temporary revival of the “wee free” Liberals under Mr. Asquith, whose candidature at Paisley is deliberately directed towards this object. His return to the House of Commons as an Opposition leader is advocated by numbers of people far outside his own political following, who dislike both the weakness of the present Parliamentary critics and the alternative of a Labour Government in the imme-

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diate future. But sooner or later—and probably sooner than later—practical questions will arise to define a single broad line of cleavage. Nationalisation of the mines, the railways, and the land is likely to be one of them. The project of a general levy on capital may be another. It is questions like these, and no mere abstract appeals for new parties, that will give fresh reality to the traditional system of Government and Opposition and carve out of the Coalition, and out of some of its critics as well, a coherent body of thought on urgent problems.

The new party of the Right may well find itself, at least in these domestic controversies, to be the lineal descendant, not of the Conservatives, but of the older Liberalism with its appeal to the love of freedom and its dislike of State control. Nothing could be less profound than the popular impression of the Coalition as dominated (because it has an actual majority of Conservative members) by a caucus of Tory reactionaries. While the whole political outlook has shifted far to the left in the last five years, it is the great bulk of the Conservatives who have moved farther from their old moorings than any other party. The Prime Minister's failure in forming his present Administration was not that he retained so many Unionists as such, but that he missed his one great chance of displacing the misfits and the tired men of every political complexion. His chief failure after another year in office (largely and necessarily spent by himself away from domestic politics) is that he has still left undefined, not merely the character of his following, but the principles round which he hopes to crystallise it. Principles are the foundation of parties, and the true criticism of Mr. Lloyd George's policies in general is that they seem calculated rather to satisfy the various elements of the Coalition in turn than to lay down a consistent course. Instead of driving his team straight down the road, he gives the impression of a coachman who oscillates from one ditch to the other, never quite risking a spill and contriving again and again to return to the centre,

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but disquieting his passengers and making his journey more difficult than it need be.

If this method of domestic leadership is partly temperamental—the method of a highly impressionable man moving cautiously among new surroundings, guided in the main by sound instincts, but never quite sufficiently confident of his power to realise them—it must be recognised in fairness that it is also very largely the consequence of the dominating claims of foreign affairs ever since the Government was formed. The cry for a more constant attendance of the Prime Minister at Westminster is thoroughly justified. No deputy, however loyal and hard-working, can really fill his place. The difficulty, so far, has been that no man can be simultaneously both at Westminster and in Paris, and that Paris had for the time superior claims. But Mr. Lloyd George's return to the House of Commons, which is chiefly demanded by his political enemies, may have consequences which they have hardly foreseen. Before everything else he is a fighter in public life. He has made no real effort since the General Election to consolidate his position. Conscious of his enormous majority in Parliament, he has been content to meet the gathering storm of dissatisfaction with an occasional appearance to explain some particular point of controversy. If the new Session, which is just opening, finds him ready to resume his full Parliamentary leadership, with his mind made up about the course which he intends to follow in all the great fundamental problems that are coming to a head, then he may very rapidly transform the present transitional state of party politics.

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II. THE IRISH PROBLEM ONCE MORE

The Present Situation

THE Irish situation is perhaps to-day more difficult than it has ever been in its long and complicated history. Never, apparently, has Ireland been more deeply divided within itself, or more estranged from England, than it is now. On the one hand the whole of the South and West has gone over to Sinn Fein, and demands an Irish republic as the only possible solution of Anglo-Irish relations. Further, the Sinn Fein organisation, carrying practically all the seats in Southern and Western Ireland at the General Election of 1918, has set up an Irish Republican Parliament and regards itself as being at war with Great Britain, which refuses to allow the Republican Parliament to meet or function. At the same time the Irish Republican Brotherhood, the extreme wing of Sinn Fein, is carrying on the war by conducting a campaign of murder and assassination, principally directed against the Police and the Viceroy, a campaign which is rapidly undermining respect for law and order, and causing grave anxiety as to the future of Irish society. On the other hand the Protestant North is more determined than ever never to be brought under the rule of a majority which in recent years has shown itself to be under the control of the Roman Catholic hierarchy, and which was openly endeavouring to assist Germany in the great world war. The British Government, therefore, is left in the position of holding Southern Ireland down with one hand by force, because it cannot agree to secession, while endeavouring, with the other, to find compromises which might induce the contending factions to agree upon a settlement.

It is not proposed here to trace the history which has led up to this situation. For one reason, this

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history has often been recorded before in THE ROUND TABLE ; for another, history is itself one of the bones of contention in Ireland. One man will tell you that the present Irish *impasse* is wholly due to Sir Edward Carson and the Covenant of 1913-14 ; another to the failure of Mr. Asquith's Government and the Nationalist Party to recognise the strength of Ulster opposition, and to make provision for it from the start ; another to the weakness and ineptitude of the Nationalist Party ; another to the malignant fatuity of Sinn Fein in precipitating the 1916 rebellion at the very moment when real reconciliation was beginning to take place. Another will tell you that it is due to the attempt of the present Government to impose conscription on Ireland in 1918 ; another will attribute it to the action of the Roman Catholic hierarchy in splitting the Nationalist vote in the Irish Convention.

We are on no firmer ground when we solicit opinions as to the practical solution. The old-fashioned Unionist will tell you that 20 years of firm but conciliatory government would have converted Ireland to the virtues of the Union, despite the steady testimony of a century of protest. The Irish Nationalist will similarly tell you that the Ulster opposition is a bluff, engineered by the unscrupulous few and supported from England, which would vanish if resolutely tackled, despite the fact that three Home Rule Bills and an Irish Convention have been wrecked on that opposition in thirty years. The Sinn Feiner will tell you that nothing can solve the problem save complete independence, reckless alike of the fact of Ulster and of the economic consequences of an English tariff against Irish goods. Then there are the Dominion Leaguers, who think that Ireland can immediately be made into a Canada, despite Ulster, and those who tell you that the root of the problem is religious, and that it is insoluble until Ireland is all Roman Catholic, or all Protestant, or all neutral.

To the mass of this welter of conflicting opinions let us add a few facts, though even facts, and especially electoral

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facts, have a curious way of dissolving in the moist Irish air. Here are the figures for the General Election of December, 1918.

Sinn Fein	..	..	..	..	..	73
Nationalists	..	..	..	..	..	7
Unionists	..	..	..	..	..	25

The recent municipal elections show a somewhat different story. The figures were as follows :—

	Ulster	Leinster	Munster	Connaught	Total
Unionist ..	308	57	7	2	374
Sinn Fein ..	114	206	207	44	571
Labour ..	109	151	110	24	394
Nationalist ..	94	69	60	15	238
Reformers ..	5	62	37	4	108
Independents ..	33	45	66	17	161
Total ..	663	590	487	106	1,846

The Government's Proposals

It is not the purpose of this article to attempt to diagnose the true fundamentals of the Irish situation, but rather to set forth clearly the diagnosis which the British Government has made of it and the remedy it proposes, in order to enable each reader to form a judgment for himself.

In this section, therefore, we will quote the essential portions of the Prime Minister's speech of December 22, 1919.

There are (he said) two basic facts which lie at the foundation of any structure which you have to build up in Ireland. They are not pleasant ones, but they are still facts. The first is this, that three-quarters of the population of Ireland are not merely governed without their consent, but they manifest bitter hostility to the Government. It is no use seeking the reason ; that is the fact. It is the one country in Europe—one must state these facts, however unpleasant they are—it is the one country in Europe, except Russia, where the classes who, elsewhere, are on the side of law and order are out of sympathy with the machinery of law and order. What makes

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this more serious is the fact that it is not due to material grievances. I remember when it used to be argued that if you could improve the social and economic conditions in Ireland, if you could get rid of agrarian troubles, if you improved the housing, if you created a peasant proprietary, if you built railways, if you constructed harbours, if you did everything that was possible in order to make Ireland as prosperous as the conditions would allow, all this objection to British rule would vanish. What has happened? Ireland has never been as prosperous as she is to-day. Scores of millions—I am not sure I could not say hundreds of millions—have been expended lavishly by the British taxpayer upon making Ireland contented and happy. The vast majority of the cultivators of Ireland are the possessors of their own soil. You have houses built—comfortable cottages for workmen—at the expense of the British taxpayer. A man who travelled through Ireland a generation ago and revisited that country would not know it to-day. It is completely transformed and transfigured. But the fact remains that Ireland has never been so alienated from British rule as she is to-day. Therefore the grievance, such as it is, is not a material one. Irishmen claim the right to control their own domestic concerns without interference from Englishmen, Scotsmen, or Welshmen. That is a fundamental fact. They fought for it for hundreds of years, and they never held that view more tenaciously than they do to-day.

Now what is the second fact? It is also a fundamental fact that you have a considerable section of the people of Ireland who are just as opposed to Irish rule as the majority of Irishmen are to British rule. Both those facts must be taken into account. The first is, perhaps, disagreeable to one body of Members of the House, and the second disagreeable, perhaps, to another body of Members of the House. It is not our business to seek for facts agreeable to anybody, but to seek for the facts, whether they are agreeable or not. In the north-east of Ireland we have a population—a fairly solid population, a homogeneous population—alien in race, alien in sympathy, alien in religion, alien in tradition, alien in outlook, from the rest of the population of Ireland, and it would be an outrage on the principle of self-government to place them under the rule of the remainder of the population. In the north-east of Ireland, if that were done, you would inevitably alienate the best elements from the machinery of law and order. I do not say you would produce the same result, but it would recreate exactly the same position which we have tried to eliminate in the south. This is an important point. It has been challenged on such a scale, the case for it has been so little stated outside the United Kingdom, that I think it vital that I should dwell for a short time upon it this evening. It is not because I attach less importance to it than I do to the first proposition. It is because the first proposition is accepted outside, in the

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Dominions, in the United States of America, in European countries ; the second has not been stated, and it is not known. I shall state it, not in my own words, but in two quotations from witnesses who certainly are not biassed in favour of the north-eastern part of Ireland. The first is a quotation from a very remarkable letter written in June, 1916—quite recently—by Father O’Flanagan, a very able Irish Catholic priest, who, I believe, afterwards became Vice-President of Sinn Féin. I do not know whether he holds that position still. No one can doubt, at any rate, that he is in sympathy with the Nationalist claim in Ireland. This is what he said upon this particular subject :—

“ If we reject Home Rule rather than agree to the exclusion of the Unionist part of Ulster, what case have we to put before the world ? We can point out that Ireland is an island with a definite geographical boundary. That argument might be all right if we were appealing to a number of island nationalities that had themselves definite geographical boundaries. Appealing, as we are, to continental nations with shifting boundaries, that argument will have no force whatever. National and geographical boundaries scarcely ever coincide. Geography would make one nation of Spain and Portugal, history has made two of them. Geography did its best to make one nation of Norway and Sweden, history has succeeded in making two of them. Geography has scarcely anything to say to the number of nations upon the North American continent, history has done the whole thing. If a man were to try and construct a political map of Europe out of its physical map, he would find himself groping in the dark—— ”

“ Geography has worked hard to make one nation out of Ireland, history has worked against it. The island of Ireland and the national unit of Ireland simply do not coincide. In the last analysis the test of nationality is the wish of the people. A man who settles in America becomes an American by transferring his love and allegiance to the United States. The Unionists of Ulster have never transferred their love and allegiance to Ireland. They may be Irelanders, using a geographical term, but they are not Irishmen in the national sense. They love the hills of Antrim in the same way as we love the plains of Roscommon, but the centre of their patriotic enthusiasm is London, whereas the centre of ours is Dublin. We claim the right to decide what is to be our nation. We refuse them the same right. We are putting ourselves before the world in the same light as the man in the Gospel who was forgiven the ten thousand talents and who proceeded immediately to throttle his neighbour for one hundred pence. After three hundred years, England has begun to despair of compelling us to love her by force, and so we are anxious to start where England left off, and we are going to compel Antrim and Down to love us by force.”

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After giving another quotation of a similar character Mr. Lloyd George went on to say :—

These two quotations state the case which I have many a time attempted to put from this box in favour of the separate treatment of Ulster. If they unite, they must do it of their own accord. To force union is to promote disunion. There may be advantages in union, I do not deny it. The geographical conditions are such as to make it desirable. There is an advantage in mingling races and religions so as to contribute varied ideas, so as to have a different outlook, and there is undoubtedly an advantage in having the industrial and the agricultural working side by side in the same Parliament. But that is a matter for those populations, and no one else, to decide.

The third fundamental condition is this, that any arrangement by which Ireland is severed from the United Kingdom, either nominally or in substance and in fact, would be fatal to the interests of both. You have only got to look at what happened in the late war to realise what would happen. If Ireland had been a separate unit with a separate Parliament, a hostile republic there, or even an unfriendly one, might very well have been fatal to the cause of the Allies. The submarine trouble was bad enough, in all conscience, to overcome. There were many moments that were full of anxiety, not from fear, because those who were dealing with it were men of great courage, but because they knew the difficulties. But if we had had there a land over whose harbours and inlets we had no control, you might have had a situation full of peril, a situation that might very well have jeopardised the life of this country. The area of submarine activity might have been extended beyond the limits of control, and Britain and her Allies might have been cut off from the Dominions and from the United States of America. We cannot possibly run the risk of a possibility such as that. And it would be equally fatal to the interests of Ireland. Irish trade would decline, for Irish trade interests are intertwined with those of Great Britain. Britain is Ireland's best customer. It would be fatal to Irish interests as well, and if Great Britain, with all its infinite resources, cannot govern a hostile Ireland, I do not see how Ireland could control a hostile north-east, with a great population of the same race, religion and interests across a narrow channel. There would be trouble, there would be mischief. There might be bloodshed, and then the whole black chapter of misunderstanding between Great Britain and Ireland would be rewritten over again. We cannot enter upon that course, whatever the cost. I think it is right to say here, in the face of the demands which have been put forward from Ireland, with apparent authority, that any attempt at secession will be fought

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with the same determination, with the same resources, with the same resolve as the Northern States of America put into the fight against the Southern States. It is important that that should be known not merely throughout the world, but in Ireland itself.

After thus stating the fundamental elements of the problem, Mr. Lloyd George drew three conclusions from it in the following words :

Subject to those three conditions, we propose that self-government should be conferred upon the whole of Ireland, and our plan is based on the recognition of those three fundamental facts. First the impossibility of severing Ireland from the United Kingdom ; second, the opposition of Nationalist Ireland to British rule in Ireland ; and third, the opposition of North-East Ulster to Irish rule. The first involves the recognition that Ireland must remain an integral part of the United Kingdom. The second involves the conferring of self-government on Ireland in all its domestic concerns. The third involves the setting up of two Parliaments, and not one, in Ireland.

It is not necessary to summarise the proposals in great detail, for the issue of the moment is not so much whether these proposals can or cannot be amended in matters of comparative detail so as to make them more acceptable to Ireland, or more workable, but whether or not they provide the basis upon which an approach to the settlement of the Irish question can be made.

Broadly, the proposals of the Government are that North Ireland and South Ireland, the one containing an overwhelming Roman Catholic majority, the other an overwhelming Protestant majority, should each be given state rights ; that is to say, that they should enjoy about the same powers as an American state, and rather more powers than a Canadian province. At the same time the Parliament of the United Kingdom should act as the Federal Parliament for federal purposes, such as foreign affairs, army and navy, tariffs, treason, navigation, coinage, etc., and should be attended by 42 representatives of Ireland, the number proposed under the Home Rule Act of 1914.

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The area of the two provinces was not finally fixed, but the Prime Minister inclined either to including the six counties of the 1916 agreement, or the whole province, as the area of Northern Ireland.

The Government scheme, however, differs from that of the ordinary federal constitution in that it recognises the bringing about the union of the two Irish provinces at the earliest possible moment. It therefore constitutes a Council of Ireland, consisting of 20 representatives elected from each Parliament, empowered to consider Irish problems and make recommendations about them, and also to exercise any powers which may be jointly conferred upon it by the two legislatures. In so far, therefore, as there are certain services, such as transportation, agriculture and so forth, which it is very desirable should be exercised by an all-Ireland authority, it will be possible for the two Parliaments to agree to conduct these services jointly for the whole of Ireland through the medium of the Council of Ireland. The scheme further confers constituent powers on the two Irish Legislatures, whereby they can, without further reference to the United Kingdom Legislature, constitute an all-Irish Parliament exercising all or any of the powers which they possess. Should a majority of Irishmen in each province, therefore, desire Irish unity, it will be possible for them even at the first election to give a mandate to their representatives to create an all-Ireland Legislature exercising "state rights" within the United Kingdom.

There remains the all-important question of finance. The Government proposal is based on the principle that Ireland must pay towards Imperial Services, that is to say, war debt, war pensions of Irish soldiers, and expenditure on the Army, Navy and Foreign Office, in proportion to its taxable capacity, all revenues derived from Ireland over and above that quota being left to the disposal of the Irish legislatures themselves. The responsibility for deciding upon the relative taxable capacity of Great Britain and

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Ireland is to be entrusted to a Joint Exchequer Board, consisting of two Irish Treasury representatives, and two British representatives, presided over by an independent Chairman. For the first two years, however, while this Board is making its investigation, the Irish contribution is to be fixed on the basis of the actual contribution made in the current year. Finally, in order to give the Irish Legislatures some margin of revenue whereby they should be enabled either to remit taxation or to embark upon a programme of development, Irish land under the Land Purchase Acts is to be handed over by Great Britain to Ireland, which will thereby be given a revenue of three millions a year over and above the actual cost of Irish Government on the date of the passage of the Bill. All Irish taxes are to be handed over to Ireland, except income tax, customs and excise, which are to be levied and collected Imperially as security for the Irish payment of its share of Imperial services. The whole surplus of these taxes, however, after payment of this contribution will be handed over to the Irish Legislatures, which will have the power to raise or remit income tax in Ireland itself. Finally, a grant of £1,000,000 is to be given to each Irish Legislature towards the initial cost of setting up its government.

The Reception in Ireland

Such are the proposals of the Government for dealing with the present situation. We do not propose to criticise them in detail. Indeed it is impossible to do so until the Bill is actually made public. Further, as already explained, the real issue at this moment is not whether the present constitutes a good Home Rule Act, but whether or not it will solve the Irish problem. There is no question that the present Act is a more liberal and a better devised Act than that of 1914. The 1914 Act was unworkable in its financial clauses, and made no provision to meet the Ulster difficulty. But the situation of 1920 is very different from

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that of 1914, and what might have been acclaimed by all sides at the other date is liable to be rejected with contumely to-day.

So far as can be judged, Irish opinion in regard to the proposals outlined in the Prime Minister's speech may be summarised as follows. There is a strong feeling in Ireland that the new Home Rule Bill will never be carried into law at all, because it is welcomed by no section of Irish opinion, while it is violently opposed by some, and because the Government will find that it is unable to proceed to put it into force. Sinn Fein Ireland stoutly maintains its demand for an Irish republic, but is not so united as it seems. Probably a majority would work any scheme which really settled the question. Of the Sinn Fein party itself, the moderates would be willing to accept Dominion status for Ireland within the Empire, but the extreme section, which will accept nothing less than complete independence, are hard at work redoubling their campaign of crime in the hope of wrecking any settlement altogether. Opinion in Ulster seems to be consolidating into a reluctant acceptance of the Bill, not because they like it—their desire being to remain where they are, under the Government of Westminster—but because they foresee that it is the only way of putting an end to the menace which has hung over them ever since 1886. If they reject the present Bill it is merely a question of time for a Government to come into power in England which will once more endeavour to force Ulster to accept Dublin Rule in some form or other. The Ulstermen seem to think that if they accept Home Rule for Ulster now that possibility is definitely ruled out of sight, for it is clear that no British Government will ever attempt to obliterate the autonomy of Ulster except at the deliberate request of the majority of its people.

Speaking broadly, therefore, the situation on present evidence would point to the acceptance of the scheme by Ulster, to its contumelious rejection by the South, and, in the event of an election being held in the South, of

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the return once more of a solid Southern Legislature all of whose members will refuse to take the oath of allegiance, and will stand for an Irish republic. What is to happen then nobody in authority has been bold enough to prophesy.

A Few Reflections

The real contest in Ireland is one between extremism and common sense. However we may criticise the detail of the Government's proposals, there can be little question that they are squarely founded on a recognition of the more permanent as opposed to the ephemeral elements in the Irish situation. Irish nationalism has persisted for centuries. Protestant Orangeism has been indestructible since the Reformation. The necessity for the strategic unity of the United Kingdom has been recognised by every British Government since the days of Henry II. and has never been more obvious than it is to-day, when Britain is not an isolated nation but the centre of a commonwealth of nations. Therefore the fundamental basis of the scheme seems to be sound.

Further, the scheme seems to be just. It confers upon Ireland the full control of its own affairs. No Irishman will any longer be under the rule of Britain in domestic matters. Irishmen are compelled to pay their share of federal burdens, but that share is to be determined in accordance with their capacity to pay. Ireland, it is true, is to start divided into two provinces. But every federation is so divided, and Ireland is certainly divided in head and heart. The only unity she has to-day is that imposed upon her by Great Britain. If British rule were to be withdrawn to-morrow, Ireland would inevitably fall apart of her own accord. Any plan for self-government must, therefore, it would seem, be based upon recognition of this fact.

Finally, the scheme is not rigid. If the Irish people want unity they can have it from the start. At the first election,

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or at any stage thereafter, they can decide to confer powers on the Council of Ireland which will make it a common authority for the whole of Ireland, or they can decide to constitute a single Parliament for the whole country both without any reference to Great Britain. The question of Irish unity therefore, as well as the form of its own "state" government, is to rest entirely with the Irish people themselves.

Therefore, the contest would seem to be between extremism and good will. The new scheme may not be the last word, but it is at least a sincere and honest attempt to meet the difficulties in a spirit of moderation and compromise. The responsibility now rests upon those who reject it to propose—not their own pet solution, for that leads nowhere—but something better than the Government Bill, upon which the contending elements can reasonably be expected to unite. A continuance of the policy of extremism must in any case be fatal. The preaching of hatred, suspicion, murder and lawlessness, as the alternative to a sincere attempt to recognise other people's difficulties and to make other people recognise one's own, can only lead Ireland into the abyss. We have seen the condition to which nationalist passions and political irreconcilability have led Europe. Ireland has endured no such sufferings as those of Poland or Central Europe in the past five years. But unless violence of opinion and action ceases, they will lead inevitably to the same end. Reason, common sense, goodwill, fair play and a readiness to recognise and understand the sincerity of England's attitude, are the only alternative to ruin and the only road to peace.

It is no less important that England should endeavour to be sympathetic and understanding towards Irish aspirations. The Irish *impasse* is largely due to the failure of the Irishman to understand the Englishman, and *vice versa*. Ireland does not understand the massive imperturbable grasp of principle which has enabled England to build up the greatest confederation of free peoples that the world

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has ever seen. The Englishman is bewildered by the golden dreams and leaden memories which haunt the Irish character. So the one bruises and the other hates. And we have the pathetic spectacle of the Anglo-Saxon peoples, whose unity and co-operation is so essential to the peace and progress and liberalising of the world, struggling blindly towards a better understanding, while Irishmen everywhere are using their unique gifts of intelligence and oratory and political organisation and propaganda to create suspicion and to separate and estrange. What a difference it would make if those gifts were turned the other way—to softening and adapting and brightening the free civilisation of the Anglo-Saxon world, and explaining it to the backward millions of the earth!

We trust, therefore, that the spirit of reconciliation and appeasement which is now at work trying to heal the wounds and passions of the great war will find work to do in Anglo-Irish relations also. The basis lies before us in the present proposals. If England is willing to withdraw from Irish domestic affairs altogether, if Ulster is willing to accept autonomy, but also to take a hand immediately in the constitution of a real Irish Council for the conduct of common Irish affairs, if Sinn Fein Ireland is willing to accept state rights and its fair share of federal obligations, there is a basis from which both Irish unity and Anglo-Irish understanding can be gradually but surely evolved. It involves a sacrifice of opinion and aspiration on every side. But the benefit both to Ireland and to England—to say nothing of the Empire and the world—which would follow reconciliation must surely make it worth while.

London. February, 1920.

INDIA

I. FOREIGN AFFAIRS

THE Afridis, the most powerful of all the tribes on the North-West Frontier, have remained fairly quiet. No one can prophesy how long they will so remain. But the misbehaviour of the Mahsuds and the Wazirs, which was noticed in the December number, has since culminated in open hostilities. These tribes comprise the North Waziris inhabiting the Tochi Valley and surrounding mountains, the Mahsuds to the south of the Tochi, and the South Waziris in the Wana Valley. Their country lies within the belt bounded by the "Durand Line" or Afghan frontier on the west, and by the districts of Bannu and Dera Ismail Khan on the east. While interfering as little as possible with the independence of these tribes, the Government of India has been obliged for obvious reasons to maintain posts garrisoned by local militia within certain "protected" areas in their territory, notably in the Upper Tochi and at Wana. In view of this partial occupation and of undertakings on their part not to raid other friendly tribes or British territory, the Waziris and Mahsuds have been for many years in receipt of liberal subsidies, and have invariably been treated with the utmost consideration. They present a problem which is among the most difficult of those which confront the Indian administration. Fine fighting men, full of fire and dash, but undisciplined and almost incredibly untrustworthy,

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they are formidable adversaries. They can put into the field some 30,000 warriors, of whom about 75 per cent. are now armed with modern weapons of precision. The sterile nature of the country forces them to a life of pillage, and the army, which might seem to offer a natural outlet for their energies, is closed to them by their unreliability. They are fanatical Muslims, easily excited to hostility against us by any manipulation of the local religious leaders.

When operations against Afghanistan in May compelled the withdrawal of our military outposts from the upper Tochi and Wana, the Mahsuds and North Wazirs invaded our territory and burnt villages. Throughout June and July, all sections of the Mahsuds and Wazirs continued actively hostile, looting mail vans, cutting télégraph lines, and continually sniping our posts. August saw even greater activity, which manifested itself in attacks on our posts by powerful forces. Although peace was signed with the Afghans on the 8th, the Mahsuds and Wazirs continued their raids throughout the rest of the month into September. Insecurity of life and property in the Bannu and Dera Ismail Khan districts finally became such as to make the position intolerable, and by the beginning of October it was clear that punitive measures could not be avoided. The measure of success which the tribesmen had secured tended to embolden them. In order to win security for our harassed border, it was decided to summon tribal meetings of the Wazirs and Mahsuds and to demand reparation for the damage they had done. We announced at the same time our intention of making roads and locating troops in certain parts of their territory. They were informed that if they refused to accept our terms, they would, after being given time to remove their women and children, be subjected to an intensive bombardment from the air. They refused our terms, and the aerial bombardment began. As they still proved recalcitrant, a column advanced as far as Data Khel against the Tochi Wazirs, who promptly accepted our terms. Our troops

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were then transferred south, with their operation base at Jandola. On December 18 we commenced our advance, which was accompanied by heavy fighting and considerable casualties on both sides. The tribes played into our hands by putting up their stoutest resistance at points comparatively close to our base. We fought steadily on to Mandanna Kach and there consolidated our position. By this time the tribes seemed tired of the game. Fighting continued up to and including December 22, and the tribes entirely failed to stop our advance. A tribal *jirgab* was held, in which the leaders of the Mahsuds and Wazirs professed, at least, to accept our terms, now enhanced by the declaration of our intention to advance still further into tribal territory. We have since advanced to Kot Kai, and have consolidated our position there. Opposition, due to two irreconcilable leaders, is still encountered.

One feature of the campaign which deserves attention is the fact that only Indian troops have been employed. The relative inexperience in mountain warfare of officers and men account to some extent for the heaviness of the casualties among British officers. But these casualties, which were considerably exaggerated by the error of a telegraphic Press message, are not in any way greater than might have been expected in a frontier campaign of such difficulty. The losses suffered by the enemy, due not only to aeroplane co-operation and to high explosives, but also to the obstinacy of their resistance, have been wholly unprecedented. That the Mahsuds and Wazirs hoped for Afghan help is unquestioned, and explains in no small degree their defiant attitude. This help they have not received, and the tribal view of the matter is well expressed in a parable related by one Mahsud Malik to a British political officer. "There was once," he said, "a gad-fly who asked for shelter through the winter in the home of an ant. This was granted to him. When the spring came, the gad-fly, after thanking his host, took his departure, and promptly stung a bullock standing near by. The bullock

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thereupon rushed about, seriously menacing the home of the ant. The ant protested, but the gad-fly replied calmly that he was quite unable to control the bullock." The chief explained that the tribesmen were the ant, the Amir of Afghanistan the gad-fly, and the British Government the bullock.

With Afghanistan we have been at peace since August, but whether that peace will endure beyond the period of six months fixed for "probation" is still uncertain. From reports in the public Press it would seem that the Bolsheviks are straining every nerve to use the Amir as a pawn in their game. With the collapse of Denikin's army the menace has drawn closer to our borders, and at the moment of writing must be regarded as serious. It is neither expedient nor desirable to say more at present; but the threat of Bolshevik attack upon India is far from being idle. No thoughtful person in India can ignore it.

The criticism levelled by some portions of the British Press against the Indian Army administration in connection with the recent operations, has not been endorsed out here. On the contrary, Indian newspapers, greatly critical of the Administration, and particularly of the military system, have expressed their opinion that the campaign was skilfully conducted, as is evidenced by its short duration; and that the medical arrangements were satisfactory. But this is not to say that all is well with the military organisation of India. It is generally believed that the system and equipment of the army is in many respects out of date and unsatisfactory. The Esher Committee, which is now sitting, has found plenty to occupy it. The two greatest difficulties seem to be, first, the over-centralisation which at present exists (the effect of this is to render the obtaining of a quick decision on any point, no matter how important, most difficult, whatever the issues may be); and, second, the financial position of India. The expenditure now requisite for a modern army is very great, and it has been found difficult to raise the money, even when the

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army estimates are nearly half the total budget, for the provision of modern equipment.

II. AMRITSAR

DURING the last quarter, vocal public opinion, both of the extreme nationalist and the moderate parties, has concentrated itself upon the recent Punjab disturbances almost to the exclusion of other topics. The sittings of Lord Hunter's Committee of Enquiry have attracted great attention. The evidence of most of the witnesses has been reproduced in full, very often with the most sensational sub-editing. The general effect of much of the evidence reproduced in the Indian Press has hitherto been to give prominence to the Indian point of view. Official witnesses who came to give evidence were subjected to severe cross-examination by the non-official members of the Committee; the framing of the questions in some cases suggesting, so it has been complained, that those examined were regarded rather as prisoners on their defence than as honest persons endeavouring to assist in the enlightenment of the public. On the other hand, Mr. Gandhi and non-official witnesses were far from having an easy time at the hands of the Commissioners, and the charges of invidiousness, which have made their appearance in the various sections of the Press, cannot be sustained.

Mention was made in the last number of *THE ROUND TABLE* of the non-official committee of enquiry appointed by the Congress. Of this the moving spirits were Pandits Madan Mohan Malaviya and Moti Lal Nehru, together with Mr. C. R. Das, a well-known Calcutta lawyer. The members of the non-official committee toured in the Punjab collecting evidence, and, according to the Press of the extreme nationalist party, had prepared materials for a formidable indictment of the actions of Government officials. But when the Hunter Committee came to sit

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in the Punjab, the members of the non-official committee refused to appear before them. The reason assigned for this was that certain persons already confined in jail were not permitted by the Punjab Government to be present while the official witnesses were giving evidence. The reply given to this complaint was that the men under detention in jail had already been sentenced by duly authorised tribunals, and that until their sentences were upset or modified, they could not very well be regarded as entitled to the privileges of persons under trial. Although they were offered every reasonable facility for giving evidence, they did not accept it, and the Congress committee refused to be placated. Their abstention has been regarded in some quarters as an admission that the position taken up in Council by Pandit Madan Mohan Malaviya, which amounted to a charge that the Punjab administration had lost its head and treated mere local riots as a widespread rebellion, could not be sustained in its entirety.

The sessions of the Hunter Committee at Amritsar provided the occasion for the most sensational evidence hitherto tendered. It was in Amritsar that the heaviest death-roll had occurred. We may recall that on April 10, as a result of the arrest and deportation of two Indian leaders who had taken a prominent part in the anti-Rowlatt Act agitation, and were considered by the local Government to be exciting the passions of the populace, a mob attempted to cross from the city to the European quarter, and being turned back by force, wreaked frightful vengeance upon every European it was able to seize, besides looting banks and damaging Government property. Two days later Brigadier-General Dyer assumed military command of the Amritsar area, and on the 12th marched through the city, the temper of which appeared to him still dangerous. On April 13 all public meetings were proscribed by beat of drum. According to the General's statement, that same afternoon he received news of a meeting which was being held, in defiance of his orders, in a large open space

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surrounded by buildings, named the Jalwalian Bagh. In view of the widespread nature of the disturbances which had already occurred in different parts of the Punjab, and the particularly dangerous form, as evidenced by the murder of five Englishmen and the cutting of communications, they had assumed in Amritsar, General Dyer decided that instant and drastic action could alone check the spread of bloodshed and disorder. Collecting all his available striking force, which was under one hundred in numbers, he marched to the scene of the meeting, and instantly opened fire upon the crowd of several thousands which he found there assembled. He continued firing until his ammunition was exhausted, inflicting casualties roughly estimated at from five hundred to a thousand killed and wounded. The latest official figures, which every care has been taken to verify, is 379 killed ; but this number is doubled or trebled in popular estimation.

The drastic nature of this action, and the tremendous moral effect it produced in India, have not only removed the whole of the Amritsar happenings out of their proper perspective as part of the general series of Punjab disturbance, but have also elevated the Jalwalian Bagh shooting to the level of an international incident. On the one side it is maintained that General Dyer's firmness alone prevented the disorders spreading until they assumed the proportions of a second Indian mutiny. On the other, it is asserted that the shooting is sheer cold-blooded frightfulness of the worst German variety. There is every reason to believe and to fear that in India the difference in standpoint is becoming racial. From the point of view of the whole British Commonwealth, it is probably just as well that certain British newspapers and certain British public men have hastily expressed a condemnation of General Dyer's action. This has encouraged Indians in the belief that the Jalwalian Bagh affair will be subjected to the severest scrutiny ; but it should be remembered that any such condemnation cannot at the moment be

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founded upon complete knowledge of the circumstances, which are still *sub judice*. For it must be remembered that even in India the full facts of the case, in the light of which alone can General Dyer's act be condemned or condoned, are not yet known to anyone, save perhaps to the members of the Enquiry Committee. It cannot be maintained that there has been any suppression of information in India, either by the Government of India or by the Punjab Government, for the simple reason that complete information has not been available. Government has indeed for some time possessed the reports of its own officers, and upon these reports the broad general official views of the Punjab occurrences were not only based, but also afforded the widest publicity in the last session of the Imperial Legislative Council. But these official reports represent only one aspect of the case; and until they have been tested by cross-examination, compared and collated with the evidence of non-official witnesses, it is quite impossible to form any matured opinion upon the facts of such incidents as the Jalwalian Bagh affair, which, however large they may loom through their intrinsically tragic nature in the popular imagination, are strictly subordinate to the general course of the disorders. It is further apparent that, rightly considered, no convincing judgment can possibly be pronounced upon the Amritsar tragedy until the nature of the main disturbances, of which it forms but a single incident, has been authoritatively determined by the Committee. If it should be shown that, according to human calculation, the rapid spread of the flame of pillage and murder throughout a warlike, excitable, and momentarily maddened population was so imminent that the shooting, though it slew hundreds, resulted in the preservation of thousands of His Majesty's subjects, irrespective of race and creed, the judgment which even the most sentimental of humanitarians may feel inclined to pronounce upon General Dyer must be considerably modified. If, on the other hand, it

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should be shown that the authorities lost their heads, gravely mistook the whole nature of the situation, and employed in dealing with civil commotion, which, though admittedly serious, had nothing either revolutionary or abnormal in its character, a degree of force which could only be justified by active rebellion of the most dangerous type, then the condemnations of General Dyer, already voiced in many quarters, may even err on the side of leniency. The importance of such considerations as these will be readily apparent in the light of the charges recently brought against the Government of India in the House of Commons, that information concerning the Punjab disturbances had been deliberately suppressed. This is so far from being the case, that it is still the part of all fairminded men to suspend their judgment upon the whole Punjab tragedy, of which Amritsar forms but a single, though that the most heart-rending, act, until the duly constituted tribunal, with the full facts before it, shall have expressed its weighed and considered opinion. It has, however, become amply apparent that the apprehensions of those, and they were many, who believed that a public enquiry would be of dubious value, are more than justified. Racial feeling has been excited, old wounds opened, and the result is great bitterness. Should the enquiry lead to the condemnation of General Dyer, the impression produced upon the mind of the army will be most regrettable. They will feel that they can no longer rely upon the support of the civil administration in the execution of their duty. On the other hand, should General Dyer's action be approved, there will be an outburst of popular feeling of a dangerous character.

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III. THE ECONOMIC BACKGROUND

THE quarter under review has been marked by a continuation of the industrial boom to which reference was made in preceding articles. The figures for company flotation in the month of August alone show that during that period fifty-five joint stock companies were registered, with an authorised capital of £4,800,000. In the eight months, April-November, the number of companies registered was 535, with an authorised capital of over £11,000,000. This activity has, however, been accompanied by considerable restlessness on the part of labour, due in large part to sustained high prices. About Christmas-time there was talk of a general strike among the employees of the North-Western Railway ; but fortunately this failed to materialise. A railway strike is, however, in progress at Jamalpur. In Bombay, something of a general strike among the mill hands has broken out, it being estimated that some 200,000 hands are idle. Fortunately, the harvest has been good, and the acuteness of the economic stress is now a thing of the past. But times are still hard for the labourer.

IV. THE REFORMS AND PUBLIC OPINION

THE evidence which was tendered by the various deputations and individuals before the Joint Committee of the Lords and Commons aroused great interest in India. It was reprinted in almost every Indian paper as fully as circumstances would allow, and public expectation was keenly whetted by the prospect of the early publication of the Committee's report. When that publication, which had been heralded by inspired statements, was actually made, it was hailed by the Moderates as a conspicuous triumph. Their Press displayed an attitude at once

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optimistic and complacent. On the other hand, the extreme section of the Nationalists were not pleased. Certain of them frankly admitted that they thought no great harm would be done if the Reforms Bill, as amended by the Report, came to grief in Parliament. The fact that on the one hand the Bill was obviously liberalised by the Joint Committee, and that, on the other, the Imperial Government was determined to secure its passage, gave the extremists no pleasure. Despite the large measure of liberalisation which had been accomplished by the rejection of the separate purse, the abolition of the grand committee system, the transfer of industries and education, the decision in favour of direct election, and of a true second chamber, and the increase in the number of Indian members of the Viceroy's executive council, the extremists still maintained their view that the whole Reforms Scheme was disappointing and unsatisfactory. Mr. Satyamurthi, speaking at Madras, publicly referred to the Bill as "the contemptible device of a bankrupt statesman to stave off the evil day"; and the subsequent attitude of the Indian National Congress showed that his view is echoed by a strong section of his party. The question was openly canvassed whether the extreme nationalists should not decline to have anything to do with the Reforms Scheme, or whether they should throw all their energies into its working, either with the idea of excluding the Moderates from participation in its benefits, or with the idea of using their power to produce a deadlock. The Moderates, on the other hand, were frankly delighted, although they would have preferred to see some introduction of the principle of responsibility into the Central Government. They none the less felt that the Reforms Scheme, as finally decided, would provide them with ample scope for displaying their capacity. Their Press paid enthusiastic tribute to Mr. Montagu and to the liberal spirit displayed by those who welcomed the Bill in both Houses of Parliament. The officials, for their part, though they had seen shelved the

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larger portion of the modifications which they had proposed for the Montagu-Chelmsford scheme, indicated in no uncertain terms their intention of co-operating loyally to make the new *régime* a success. There was a certain amount of head-shaking on the part of the more conservative ; but all alike agreed that, whether the business were good or whether it were bad, it was now an accomplished fact, and that the thing to do was to make it a real success in practice.

The attention attracted towards the Reforms was very much less than might have been expected, owing to the competition of other topics of interest. With one of these, the Punjab disturbances, we have already dealt. But side by side with this, relegating the whole question of reforms for the moment to a third place, came the Khalifat agitation. We have already noticed that Mohammedan anxiety on behalf of Turkey had ebbed and flowed during the period since the declaration of the Armistice. Had it been possible to announce the Turkish peace terms at the same time as those with Germany, there can be little doubt that the Mohammedans of India would have accepted them as a decree of fate. But the long delay has gradually produced the change from an attitude of passive acquiescence to a hope that Government's hands may perhaps be forced in the matter. During the last six months feeling has been fomented among the more advanced Mohammedans, whose support has thereby been secured for extreme Nationalist views. Of late the question of the integrity of Turkey has been taken up by the Hindus, especially by Mr. Gandhi. It is a most formidable weapon in the hands of anyone who desires to bring pressure upon Government. The immediate occasion for the new movement was supplied by the approach of the official peace celebrations, fixed for December the 13th and the following days. It was publicly stated that good Mussulmans ought not to take part in the rejoicings while the Turkish question remained unsettled. In order to bring home this view an anti-peace celebrations

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committee was set up in Delhi, about ten days before the date fixed for the peace celebrations. Owing to the limited amount of time available, it was not possible to do very much by way of propaganda, although in several places, notably in Delhi itself, the anti-peace-celebrators succeeded in preventing the bulk of the Mohammedan community from joining in the rejoicings. But the immediate activities of the committee proved only the beginning of a regular campaign. Government refused to be drawn into taking any measure which might be constituted as official pressure in favour of the celebrations, and those who were responsible for the anti-peace celebrations campaign were able to accomplish something towards increasing the uneasiness of the Mohammedan community. They contended that the full pre-war integrity of the Ottoman Empire would alone satisfy the religious requirements of Indian Mohammedans, supporting their assertion by the inaccurate statement that Turkey was the only hostile power upon which the Allies proposed to inflict loss of territory. Ignoring the historical fact that Islam has never found spiritual allegiance to the Khalifa inconsistent with temporal allegiance to other monarchs, certain Mohammedan leaders tried to argue that any loss of territory suffered by the Sultan of Turkey must necessarily become a religious question. They ignored all political exigencies, such as the recent declaration of independence by the Arabs and by the Armenians. They refused to remember that in order to restore the Holy Places to the control of the Sultan of Turkey it would be necessary to desert our ally, the King of the Hedjaz, whose political subordination to the Sultan, even before the war, was of the most shadowy description. An endeavour was made to convince the Mohammedan community that the Commander of the Faithful was in danger of oppression at the hands of Christian Powers, and to this theory some ill-judged references to the Crusades, which appeared in the home papers in connection with General Allenby's campaign in Palestine, certainly contributed. It cannot be too

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strongly urged that the pronouncements of those in high position at home upon matters which the Mussulman community regard as affecting the politics or religion of Islam produce in India consequences for evil which must far outweigh the satisfaction derived from the original declaration either by the speaker or by his audience.

Intellectual arguments concerning Turkey are above the head of all but the most educated Mussulmans. But despite the efforts made by Government through the public Press to secure a more accurate appreciation of the facts of the Turkish situation, the speeches and writings of some of the Mohammedan leaders, religious and political, have now begun to produce an effect upon the masses, who have gathered a definite impression that some kind of tyranny is about to be practised on the Sultan. Religious feeling of this kind is very easy to arouse, most difficult to quell, and almost impossible to avert by reasoned arguments. A foreign government of different creed can hardly be expected to interfere with good effect. Every possible endeavour has been made, by the use of such publicity machinery as exists, to demonstrate that the issues involved are political, not religious ; that no vengeance is being exacted from Turkey by the Christian Powers, and that any adjustment of her boundaries follows entirely from the effect of those principles of nationality and self-determination for which the Allies fought—principles which have already introduced changes so drastic into the map of Europe.

V. THE CONFERENCES

IT was therefore in a somewhat excited atmosphere that the preparations for the 1919 session of the Indian National Congress drew to a close. The site of the meetings was fixed at Amritsar, with the professed intention of securing unanimous Indian opinion upon the Punjab troubles. The same place was also fixed for the

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session of the Muslim League ; and although a half-hearted attempt was made by certain of the more conservative Mohammedans to break away from the powerful influence of the Congress by holding the sessions elsewhere, nothing definite came out of it. As in 1918, there seemed every reason to suppose that both the League and the Congress would voice nothing but extreme Nationalist opinion. The leaders of the party made great efforts to attract the Moderates, issuing pressing invitations for the Amritsar Congress, and putting forward Indian sentiments, deeply stirred to censure of the Administration by the Punjab happenings, as affording a common meeting ground for all parties. But the Moderates, while perfectly ready to express their detestation of the methods employed in restoring order, were not prepared to take the same uncompromising view of Government's iniquity as were the extremists ; nor were they prepared to follow them in demanding the recall of Lord Chelmsford, whose non-interference with the Punjab authorities' attitude towards the Press Act, together with occasional skirmishes in Council with extremist leaders impatient of the rules of business, have combined to bring upon his head the wrath of the Left Wing. Still less were the Moderates prepared to adopt a *non possumus* attitude towards the Reforms Scheme, to the final shaping of which they, as a party, had so largely contributed. It was apparent from their press that they felt no good purpose would be achieved by any attempt to gloss over the differences in aim and outlook which now separated the two great Indian parties. Officially they refuse to accept the Indian National Congress invitation. But they announced that they had no intention of asking individual members of their party who might desire to attend at Amritsar to refrain from doing so. They arranged to hold their own conference at Calcutta almost at the same time as the Amritsar session. While they, like the extreme Nationalists, felt deeply and bitterly upon the Punjab affair, it is plain that as a party they look rather

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to the future than to the past. In contrast to the extreme Nationalists, they are now largely pre-occupied with the approaching reforms, and are more concerned to lay down a constructive programme of party activity than to frame eloquent and impassioned votes of censure upon the existing Administration.

On the very eve of the session of the Indian National Congress appeared the Royal Proclamation signifying the assent to the Reforms Bill—one of the most impressive manifestoes in the history of the connection between England and India. After sympathetically surveying the growth of Indian aspiration towards representative institutions, the Proclamation acclaimed the reforms as a definite step on the road towards responsible government. His Majesty continued :—

With the same sympathy and with redoubled interest I shall watch the progress along this road. The path will not be easy, and in marching towards the goal there will be need of perseverance and of mutual forbearance between all sections and races of my people in India. I am confident that those high qualities will be forthcoming. I rely on the new popular assemblies to interpret wisely the wishes of those whom they represent, and not to forget the interests of the mass who cannot yet be admitted to the franchise. I rely on the leaders of the people, the Ministers of the future, to face responsibility and endure misrepresentation, to sacrifice much for the common interest of the State, remembering that true patriotism transcends party and communal boundaries ; and while retaining the confidence of the legislatures, to co-operate with my officers for the common good in sinking unessential differences and in maintaining the essential standards of a just and generous Government. Equally do I rely on my officers to respect their new colleagues and to work with them in harmony and kindliness ; to assist the people and their representatives in an orderly advance towards free institutions ; and to find in these new tasks a fresh opportunity to fulfil as in the past their highest purpose of faithful service to my people.

As a fitting inauguration to the new era, His Majesty made an impressive appeal for unity :—

It is my earnest desire at this time that so far as possible any trace of bitterness between my people and those who are responsible for

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my Government should be obliterated. Let those who in their eagerness for political progress have broken the law in the past respect it in future. Let it become possible for those who are charged with the maintenance of peaceful and orderly Government to forget extravagances they have had to curb. A new era is opening. Let it begin with a common determination among my people and my officers to work together for a common purpose. I therefore direct my Viceroy to exercise in my name and on my behalf my Royal clemency to political offenders in the fullest measure, which in his judgment is compatible with public safety. I desire him to extend it on this condition to persons who for offences against the State, or under any special or emergency legislation are suffering from imprisonment, or restrictions upon their liberty. I trust that this leniency will be justified by the future conduct of those whom it benefits and that all my subjects will so demean themselves as to render it unnecessary to enforce the laws for such offences hereafter.

The Proclamation concluded with a declaration of His Majesty's intention to send the Prince of Wales to India next cold weather to inaugurate the new Chamber of Princes and the new Constitution.

The effect of the issue of this document was profound. Among the common people it was hailed with delight as a personal act of clemency on the part of the King-Emperor, to bridge the recently-opened gulf between the races. Upon many of those interested in politics also the effect was little less marked. The Moderate Party saw in it a proof that the fruit of their constitutional endeavour towards representative institutions was now ripe. Such veteran warriors as Mrs. Besant and Babu Surendranath Banerjea enthusiastically declared that "India was at last free." The speeches made in the Moderates' Conference at Calcutta revealed a genuine appreciation of the new spirit, an earnest desire to co-operate with Government in working the reforms, and a determination, full of promise for the future, to formulate a definite programme and to declare a considered policy for the guidance of the party.

Upon the extreme Nationalists, unfortunately, it cannot be said that any appreciable effect was produced by the Proclamation. From the party point of view they were

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placed by it in a somewhat awkward position. At a stroke they were deprived of several important grievances which had constituted much of their immediate political capital. Without in any way desiring to impugn the honesty of their convictions, it cannot but be observed that they failed to rise to the occasion. The indiscriminating violence of the speeches delivered seems wholly uncalled-for ; and, if taken at its face value, cannot fail to produce a painful impression upon those who are the truest friends to India's constitutional aspirations. To have persisted in bringing forward strongly-worded resolutions about the Punjab was, in view of the depth of feeling excited, perhaps only natural if distinctly regrettable ; but to have persisted in the motion for the removal of Lord Chelmsford, and to have reiterated the parrot cry of "disappointing" and "unsatisfactory" concerning the now liberalised reforms can only be considered a grave tactical error. The proceedings of the Congress and of the Muslim League alike make painful reading. The speech of the President of the Congress was a long diatribe against Great Britain and a belittlement of the benefits of the Reforms Act. Not one redeeming feature of the situation, whether of progress in the past, or hope for the future, was admitted. Mr. Satyamurthi went one better, for he said that Lord Chelmsford had "sullied Indian honour, betrayed the country's trust, betrayed British trust, and shocked civilised humanity." These and other speeches delivered too often reveal an outlook at once so crude, so unpractical, so irresponsible to the new spirit, as to fill an impartial person with despair for the future of the extreme Nationalist. Unless some attempt is made, and that quickly, to curb the growing taste for utterances envenomed with rank racial hatred, it is difficult to see how the Congress Party will prevent its younger and less disciplined members from drifting into an impossible position, not merely in regard to the reforms but also in regard to the whole relationship of India towards the British Commonwealth. This would be a calamity

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of no common order; for the fiery enthusiasm of the younger generation, their receptivity to generous ideals, their acknowledgment of the necessity for sacrifice in the cause of political and social progress, constitute, rightly applied, a driving force of great value to India. We can only hope that, with the new opportunities for solid work in the national cause which the reforms will furnish, the extremists will relax their attitude of undisguised hostility, and, like the Moderates, will find it possible to throw all their energies into facilitating by work, rather than retarding by agitation, the progress of India along the road leading to responsible government.

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CANADA

I. SIR ROBERT BORDEN AND THE COALITION

THE very serious illness of Sir Robert Borden has aggravated the political confusion which prevails throughout Canada. Ever since the Premier's return from the Paris Conference he has been on the verge of physical prostration. To the long strain of the war was added the anxiety inseparable from a difficult domestic political situation. Perhaps to a greater degree than in the Mother Country the Government is a coalition of political leaders, who were ranged in separate camps until they came together for the more effective prosecution of the war, and particularly to ensure adequate reinforcements for the Canadian Expeditionary Army. It is true that the Cabinet has been cohesive and united; but from the first there have been rumours of dissension which did not exist, and alike among Liberals and Conservatives in the constituencies a disposition to distrust one section or the other.

As has been said in THE ROUND TABLE, eighty or eighty-five per cent. of the Unionists belonged to the old Conservative party. This formidable element has been reluctant to give equal representation in the Cabinet to the fringe of voters which was detached from the Liberal party. Moreover, the official leader of the Liberal party could not be induced to join the Coalition, and in the general election all the official machinery of the party was at his command and its historic continuity has been substantially preserved. It is also true that those Liberals

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who entered the Union Cabinet have been continuously denounced as guilty of flagrant desertion of Sir Wilfrid Laurier, betrayal of principles and sacrifice of convictions for office. Distrusted by many Conservatives and maligned by their old associates, the Liberal Unionists have not had a happy experience, but they have been invincibly loyal to the Prime Minister, and signally influential in legislation and administration.

It will be apparent from these facts and circumstances that the withdrawal of Sir Robert Borden would produce an anxious situation in Parliament and in the country. There is, however, no doubt that he had definitely determined to resign upon the positive statement of his physicians that his physical condition was such that he could not safely do otherwise. It was settled that a Unionist caucus would be held at Ottawa during the first week of January to choose a successor. But it was quickly discovered that agreement upon a successor would not be an easy process. This was not because his colleagues were divided by personal differences or because there was any unseemly competition for the leadership. There is reason to believe that if Sir Thomas White could have been persuaded to take the Premiership, the Cabinet would have been united in his support, and with the single exception of Sir Robert no man would have been so acceptable to Unionists in Parliament and in the constituencies. But, while Sir Thomas still holds a seat in the House of Commons, he has been politically inactive since he resigned the portfolio of Finance, and has declared in a public statement that he is not a candidate for the Premiership, and will not take office again upon any consideration. Mr. Meighen, Minister of the Interior, among the most effective debaters in Parliament, possibly would have succeeded to the leadership if Sir Robert Borden had not been persuaded to withhold his resignation; but he was among the most urgent of his colleagues in appeal to the Prime Minister to take a long rest in the hope that, relieved from the

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drudgery of office and the distractions of politics, his health would be measurably restored. Convinced that this was the unanimous desire of the Cabinet and fortified by many messages from the country, Sir Robert finally yielded. It is, however, by no means certain that when he does return he will be able to resume the heavy duties and responsibilities which have seriously impaired a robust constitution, and even affected a naturally optimistic and confident temperament. In the meantime the Unionists face Parliament, and possibly a general election, with an absent leader, a policy undefined on vital questions, and a complete neglect of organisation in the constituencies.

It is understood, however, that the Unionist caucus will give immediate consideration to the letter submitted by Sir Robert Borden a year ago, outlining a political programme and urging definite consolidation of the Unionists as a permanent national party. The United Farmers and the Liberal party have definite programmes before the country, and are actively organising in expectation of a general election. The Unionists must follow their example, if they are to maintain their ascendancy or even to be an influential element in the political life of Canada. It has to be remembered also that the future of the historic Conservative party is involved in the fortunes of the Unionists, and that the industrial interests have their natural alliance with the party which Sir John Macdonald created, and which has been so influential in the organisation and evolution of the Canadian Commonwealth.

At the moment there is criticism of the Union Government as indecisive and inactive, lacking in political instinct, and without adequate energy for the difficult and perplexing problems of reconstruction. But in Canada, as elsewhere, there are uneasy elements, provocative of unrest, the temper of detraction and vagrant impulses to revolt. The solid achievements of the Government are overlooked. Ministers are held to direct responsibility for conditions which they have not produced and cannot redress. De-

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mocracies in time of travail are inconsiderate, often merciless, and in the reaction from war and its inevitable consequences, Governments must suffer. The ultimate judgment of history upon the public career of Sir Robert Borden will not be unfavourable. The conduct of the war constitutes a chapter in Canadian history of which future generations will not be ashamed. Nor has there been serious slackness or conspicuous inefficiency in the Government's handling of the problems of reconstruction. For the time, however, public opinion is unsettled and unorganised, and undoubtedly the long absences of the Prime Minister in London and Paris, and the undefined attitude of the Government towards national problems upon which the Farmers and Liberals have definitely declared themselves, have aggravated the political unrest which prevails in the country. It is unfortunate also that the Unionist leaders rarely address public meetings. There is no adequate defence of the Government's administration and legislation. Nor is there any constructive teaching to offset the destructive criticism of its opponents. The people demand and require definite declarations of policy by the Unionists in order that they may pronounce with intelligence and wisdom between the various groups and factions which are manœuvring and struggling for political supremacy at Ottawa.

II. THE FARMERS' POLITICAL MOVEMENT

THERE has been nothing more surprising in the political history of Canada than the result of the general election in Ontario. While it was believed that the United Farmers would carry twenty-five or thirty constituencies, there was no expectation that Labour would elect many of its candidates or that the Government would be defeated. The Farmers, however, carried 46 out of 111 constituencies, and in twelve divisions the candidates of the Independent

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Labour Party were returned. The Liberal party has 31 seats against 28, while the Conservative representation is only 26 as compared with 80 in the last Legislature. During the contest there was a practical alliance between Labour and the Farmers. In a few constituencies, candidates were nominated by joint conventions of the two classes. The Farmers and Labour alike adopted a position of uncompromising hostility to the Liberal and Conservative parties. Where a farmer was chosen by a Liberal or Conservative convention he was fought relentlessly, while in Toronto a recognised leader of Labour who accepted a Conservative nomination, and would have become Minister of Labour if the Conservative Government had been sustained, was opposed by a Labour candidate and defeated.

There is no doubt that the Hearst Government's liquor legislation chiefly explains its overwhelming defeat. Five years ago, when Mr. N. W. Rowell, now President of the Council in the Federal Cabinet, was leader of the Liberal party in the Province, he committed the party to prohibition. The Conservatives, under Sir James Whitney, held to local option as the sounder method of regulating the liquor traffic and naturally had the support of the hotels, brewers and distillers. Although defeated, Mr. Rowell persisted in the agitation for general prohibition. When the war came there was such a manifest response to his appeal that Sir William Hearst, who had succeeded Sir James Whitney as Premier and leader of the Conservative party, yielded to popular feeling and persuaded the Conservative majority of the Legislature to sanction prohibition as a war measure. It was also provided, however, that when peace was restored, and the soldiers had returned from overseas, a referendum should be taken to determine if prohibition should continue or to what degree the provisions of the measure should be relaxed. In fulfilment of this understanding four questions were submitted to the people in the general election—(1) should

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the Ontario Temperance Act (establishing prohibition) be repealed ; (2) should the sale of beer and wine through Government agencies be legalised ; (3) should beer and wine licences be issued to standard hotels in local municipalities where a majority of voters approved the issue of such licences ; (4) should the sale of spirituous and malt liquors through Government agencies be permitted.

The vote even against wine and beer licences was two to one, although the Government which gave prohibition was routed. Nor is it necessary to go far for an explanation. An element in the Conservative party, which could not be reconciled to prohibition, voted against Conservative candidates in order to punish the Government. The liquor interests, which supported the Whitney Administration five years ago, believed that they had been betrayed by Sir William Hearst and his colleagues, and voted for "revenge." Among Labour there were many advocates of wine and beer licences, and these polled solidly against Conservative candidates. Probably a majority of the returned soldiers also gave their votes to one or other of the groups opposed to the Government. From the ranks of prohibitionists the Government drew no considerable access of strength because the candidates of the Farmer and Liberal parties declared as strongly for prohibition as did those who represented the Conservative party, and even few of the Labour candidates favoured repeal of the prohibitory enactment. Thus the Government which gave prohibition was not generally supported by prohibitionists, while the bulk of the opponents of the measure gave their support to Farmer, Labour, or Liberal candidates.

In Toronto, for example, which has been overwhelmingly Conservative for a generation, five of the ten seats into which the city is divided returned Liberal or Independent candidates by majorities running from 1,200 to 6,000. Labour triumphed in Hamilton, Sir Adam Beck, Chairman of the Hydro-Electric Commission, who was believed to have the confidence of Labour in a peculiar degree, was defeated

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in London by nearly 2,000, and even the Premier himself, against whom it was difficult to secure an opponent, was 1,200 behind the Labour candidate in Sault Ste. Marie. It is admitted that there were no very serious or definite charges against the Hearst Administration, nor even any strong reasons for the revolt among the Farmers or the hostile attitude of organised Labour. But for many months the agents of the United Farmers had been busy in the constituencies, old party associations had been vitally disturbed by the organisation of the Union Government at Ottawa, there was feeling that the Federal Government had boldly disregarded pledges to exempt farmers' sons from compulsory military service in consideration of the scarcity of farm labour, and a conviction, sedulously cultivated, and not altogether unreasonable, that neither farmers nor industrial workers had adequate representation in the Legislature. Thus alike in the rural and in the industrial constituencies an acute class feeling was developed, with political results far more favourable than either the Farmer or Labour groups expected. It is, indeed, remarkable that in the municipal elections which followed six weeks later Labour showed a clear loss of strength as compared with the contest for the Legislature.

Although it is difficult to believe that a political alliance between Labour and Farmers in Canada can be enduring, the two groups have united to form a Cabinet and control the Legislature of Ontario. The Government contains five farmers and two representatives of organised Labour. The Premier is Mr. E. C. Drury, whose affiliation has been with the Liberal party, a vigorous advocate of low tariffs and reciprocal free trade with the United States, a Methodist in religion, an ardent prohibitionist, and a fluent and effective platform speaker. Although only 42 years of age, he has an established political reputation, and has proved that he can devote much attention to public affairs and still rank among the most successful farmers in Ontario. Most of his colleagues have had valuable experience in

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municipal government, but only one has sat in the Legislature, and he only for a single session. Mr. Drury himself was not a candidate in the general election and still has to find a constituency. There could be no better evidence of his standing among the farmers of the Province than the fact that in these circumstances he was the unanimous choice of the elected representatives of the Farmer and Labour groups for the office of Premier and leader of the Coalition. At most, the Government has a majority of only two or three in the Legislature. Three of the Ministers have still to find seats, and if even one of these should be defeated a political deadlock would result unless the Government should draw unexpected support from the Liberal or Conservative parties. Because the Ministers represent farmers and workers, and are wholly without parliamentary experience, there is a common desire that they shall not be embarrassed or subjected to vexatious opposition in the constituencies. No general apprehension that the new Government will sanction revolutionary or destructive legislation is manifested. There are no such differences of opinion between the farmers and the industrial interests in Provincial affairs as separate classes in the Parliament at Ottawa, which exercises authority over trade and taxation.

Although the Farmer-Labour groups have a majority in the Legislature, they polled fewer votes than the candidates of the Conservative party. The Conservatives polled 386,706 votes and elected 26 members. The Liberals, with a total of 336,715 votes, carried 31 constituencies. But with 383,970 votes the United Farmers and Labour secured 56 seats in the Legislature. There are two explanations for this extraordinary result. The unit of representation in the centres of population is double that of the unit in rural communities, while in probably one-third of the constituencies neither the Farmers nor Labour nominated candidates. One natural result of the election is a movement to establish "repre-

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sensation by population." It is argued that, if Labour and the Farmers insist upon class representation, there must be a fairer division of political power between the rural and the industrial communities. Toronto, Hamilton, Ottawa and London contain 27 per cent. of the total population of Ontario, but have only one-seventh of the representation in the Legislature. Ten rural divisions, with 190,000 of population, send as many members to the Legislature as does Toronto with 500,000 people. It has been held that area as well as population should be considered in settling the basis of representation, but this argument becomes less influential if the farmers unite for political purposes against other classes. Manifestly under the existing electoral adjustment a minority of the people can control the Legislature, and the farmers, even without the assistance of organised Labour, can impose legislation upon the towns and cities. Farmers and Labour alike are pledged to establish proportional representation in Ontario, but even the proportional system will not give additional members to the industrial communities unless an equal unit of representation is established.

For the House of Commons the counties have an excess representation as great as they possess in the Legislatures of the Provinces. But the farmers are organising as a national party just as they have organised as a Provincial party in Ontario. Moreover, they have been as successful in by-elections for the Federal Parliament as they were in the Province. A few weeks ago in Assiniboia, in the Province of Saskatchewan, which has been a Liberal stronghold, a representative of the Grain Growers defeated a Liberal candidate for the Commons by a majority of 5,224. In Carleton, New Brunswick, which was represented by Mr. Frank Carvell, a member of the Union Government until he resigned to become Chairman of the Federal Railway Commission, a candidate of the United Farmers was returned by a majority of 3,540, although three of the Federal Ministers appeared in the contest in

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behalf of his Unionist opponent. In Glengarry in Ontario, carried by the Unionists in the general election, a farmer defeated the candidate of the Government by 1,900. In Saskatchewan and Alberta, in recent by-elections, nominees of the farmers have successfully contested constituencies for the Legislatures. Thus outside of Quebec the Farmers' movement is very formidable, and even in that Province, now dominated by the Liberal party, the agents of the Farmers are creating a Provincial organisation. Outside of Ontario no alliance has been effected between the Farmers and Labour, and probably it will be difficult to secure Labour's adhesion to such a radical revision of the tariff downward as the Farmers advocate.

The fiscal platform of the Liberal party closely resembles that of the United Farmers. Indeed the Saskatchewan Legislature, controlled by a Liberal Government, has just adopted a resolution, endorsing without amendment or qualification the trade platform of the United Farmers, and it is peculiarly significant that the Conservative opposition in the Legislature also voted solidly in support of the resolution. It seems to be certain, therefore, that the United Farmers will send many members to the next House of Commons. Possibly they cannot elect an actual majority of Parliament. Nor at the moment does it seem likely that the Liberals or Unionists can secure a majority. There is, however, no immediate prospect of a general election unless the Unionists should be defeated in Parliament. This is regarded as improbable, and chiefly because many representatives of rural constituencies fully understand that they would not be accepted by Farmers' conventions and could not be re-elected if opposed by Farmer candidates.

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III. NAVAL POLICY AND IMPERIAL ORGANISATION

A GROUP of extreme autonomists are peculiarly active throughout Canada. Suspicion is excited over the mission of Lord Jellicoe. It is demanded that the representatives of the Dominion at the next Imperial Conference shall be instructed by Parliament. There are even suggestions that the Prince of Wales was the agent of British Imperialists, and that there is some deep design to involve Canada in definite Imperial obligations without consulting the Canadian Parliament or the Canadian people. A good deal of what is said by this school of writers is unobjectionable and constitutionally sound enough. They take a position which would not be challenged by Imperialists in Canada or in Great Britain. But behind all their writing is the assumption that a "conspiracy" is afoot, and that great vigilance is required to defeat the agents of "centralisation" and maintain the legitimate sovereignty of the Canadian Parliament.

Chief among these alarmists is Mr. John S. Ewart, K.C., author of the "Kingdom Papers," and an advocate of practical independence under the Crown. But he has even more extreme allies and the support of a few influential journals which apparently cannot believe that the autonomy of Canada is not menaced by mysterious, underground forces, directed from London, and with dangerous connections in Canada. Many of Mr. Ewart's letters appear in the *Statesman*, a weekly journal published at Toronto, which declares that "Canada cannot remain in the anomalous position she now occupies." It is not content with Sir Robert Borden's theory of equal nations, nor even with the policy of the Liberal party. It asks why "a land of eight million people, whose splendid contribution to the Great War amazed the world, should shirk the responsibilities of sovereign nationhood." It insists that abuse of

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those who frankly discuss the questions, and who assert the right of Canada to be the absolute mistress of her own destinies, free from Imperial control, is "the best means of betraying Canada into the hands of the Milners and Curzons and the old order in Europe." The *Statesman* complains that

British and Canadian Imperialists speak in terms of national independence and equality of status, while they refuse to state definitely how national independence and equality of status are to be realised under any scheme of Imperialism that implies the recognition of a single sovereign State.

Finally it declares that

the young manhood of Canada will not consent to be bartered by our elder statesmen in the Imperial mart like slaves in the streets of ancient Rome. And it is to the youth of Canada that this question must finally be referred, and not to an Imperial Conference, for it was by the bravery of our young manhood that Canada's place among the sovereign nations of the world has been won, on fields where men met Imperialism face to face, and saw in it the foe to world peace and human freedom.

There has just been established at Ottawa a weekly journal calling itself the *Canadian Nation*, to which Mr. Ewart also contributes, and which is deeply concerned over the plottings of Imperialists. Mr. Ewart himself is disturbed by Lord Jellicoe's visit. He distrusts British diplomacy in all its dealings with Canada. As to naval policy, he asserts that "were we to consult anybody about it we would not go to a British admiral." He argues that "the British Government has always been opposed to our limitations of Japanese immigration, and, while the United States may be safely counted upon to concur with us in the policy of exclusion, we may be sure that the British fleet will never support us in that respect." He thinks "Canadians cannot be sure, in case of future trouble—with the Japanese or others—that the British navy will not be fighting on the side of our opponents." Mr. Ewart recalls Sir Robert Borden's promise that when a permanent

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naval policy should be framed "it would be presented to Parliament and the public of this country would be given an opportunity to pronounce upon it." He continues : "That has not been done. Policy has been framed. It is being acted upon. Lord Jellicoe's principal business is not to give advice in Canada which he could have dictated in ten minutes to a stenographer in London. It is to create an atmosphere favourable to the Imperialistic proposal of Canadian adjunct ships for the British navy, under Canadian pay and British control. Can he do it ? " In a speech before the Reform Club of Montreal, Mr. Ewart said :—

For my part I desire that Canadians, and none but Canadians, shall determine what Canada's foreign policy shall be ; that Canadians, and none others than Canadians, shall determine whether we shall be involved in war or not ; that Canadian soldiers shall always be Canadian soldiers, and the Canadian Navy shall always be the Canadian Navy, and under Canadian control, wherever and what time soever it may find itself ; that from now, henceforth, and forever, Imperialist centralisation in London shall not be tolerated in Canada. If in the future any British or Canadian Government shall be of a different opinion and try to impose that different opinion, then, to quote the words of Lord Fisher, "scrap the lot ! "

The *Winnipeg Free Press*, which has a wide circulation and great authority in the Western Provinces, recalls the memorandum prepared in London, in 1918, by the Premiers of Canada, Australia and New Zealand, and signed by General Smuts in behalf of South Africa, in which it was argued that a single Navy at all times under central authority was not practicable, and further contended that the war had shown that the Australian Navy had operated with the highest efficiency as part of a united navy, and adds :—

Admiral Jellicoe left England on a battleship early in January, and has spent the intervening months in New Zealand and Australia, He is now in Canada on the last lap of his mission. He has been advising these Dominions, but his advice is conditioned by the principle laid down by the Dominion Premiers in London and adhered

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to, that all schemes of Imperial naval defence must recognise the existence of Dominion navies under the control of the Dominion Governments. This was the policy unanimously decided upon by the Canadian Parliament in 1909. Canada has come around to it again; this time neither outside pressure nor the intrigues of party schemers will shake the confidence of the Canadian people in it, as the only possible solution of this great problem.

In another article, under the heading "National Status and Empire Organisation," the *Free Press*, opposing an Imperial Conference this year, contends that "so far as Canada is concerned, there is no one who has either the knowledge or authority to represent the people of this country at present at a conference called to reach definite conclusions on this question of Empire relationships." It does think, however, that "the time for discussion is here at last," and continues:—

With an Imperial Conference in the distance at which definite action is to be taken, there can be no further postponement by patriotic Canadians of their duty of informing themselves and reaching an opinion. This discussion must precede, not follow, the Imperial Conference. This may not be the procedure favoured by some who would prefer the adoption by the Conference of some attractively presented plan which would afterwards be commended to the various nations by propaganda; but this is precisely the course against which we need to be on our guard. In short, what we need is delay and discussion. The existing Canadian Parliament and the present Dominion Government have no right to make any commitments on behalf of the Canadian people in regard either to naval policy or Imperial organisation. These are duties which should devolve upon the next Parliament and upon the Government which commands the support of that Parliament.

The *Toronto World* declares:—

Canada wants no more conferences until Parliament has first discussed in the fullest way the method and objects of these conferences, and what power they may have in any way to commit us as a people or a nation. Let some of the time of the coming Ottawa session be devoted to clearing up the preceding and many conferences that Sir Robert Borden has attended; what commitments, if any, were made by him on account of Canada at these conferences, and how much responsibility the Ottawa Cabinet is prepared to assume

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for the very active, recent, and present propaganda toward Imperialism that has been carried on in this country, and out of it, by persons and papers absolutely irresponsible to the Canadian people. Up to date, what mandate has the Canadian people given to anyone to make commitments in regard to Canada's future nationhood or participation in future Imperial politics ?

The *Farmers' Sun*, which is the organ of the United Farmers of Ontario, professes anxiety concerning the next Imperial Conference, and insists that the Dominions must not be involved in "a military and naval union." It wants a frank and full statement of the Jellicoe naval proposals, and what the Admiral asks from Canada. The *Sun* declares in another article :—

Drifting will not much longer be possible. We are nearing the parting of the ways, and a decision must be made in the near future. The late war and the Imperial Conference, which it is expected will be held in London next summer, are forcing a final decision upon us, whether we will or no. We cannot go on as we have gone in the past, responsible for a part in all of England's wars without any voice in the policies leading up to war. That is a position in which a nation of 8,000,000 cannot much longer remain.

The three courses open are : an Imperial Union, in which Canada will have a real voice in Imperial policy and assume a recognised share of responsibility for Imperial wars ; a union with the neighbouring nation to the South, under which Canada will be as much a part of the United States in trade, in government, and in everything else as the one time Southern Confederacy is to-day ; or Canadian independence, involving all the privileges and responsibilities that go with national sovereignty.

The case is merely stated, and the truth of this statement of the case cannot be gainsaid. It is for the Canadian people to make the decision, and before that decision is reached there should be full and free discussion with the most careful consideration of all that is involved in whatever decision is reached.

In a reference to Mr. T. A. Crerar, national leader of the United Farmers, The *Sentinel*, the official organ of the Orange Association, says :—

All sensible men will agree with Mr. Crerar that "this country should not be committed to any form of Imperial Parliament or Cabinet or Council without the fullest and freest discussion by the

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Canadian people." But Mr. Crerar, in his public addresses, leaves the impression that his mind is made up before the discussion begins. He seems to be opposed to any policy that will bring Canada and the Mother Country closer together. The whole trend of his speeches is anti-British, without being specific in his statements. Mr. Crerar is serving the enemies of Britain and Canada by assisting in the unpatriotic work of loosening the bonds of Empire.

La Presse, the chief French journal of Quebec Province, which has as great a circulation as any other newspaper in Canada, in a leader on Lord Jellicoe's visit, says :—

To aid the Mother Country with our navy is a thing which Canada could do in urgent cases, but to stand as a guarantee for the peace of the other colonies and contribute to their defence shows a perspective which can have little attraction, and should cause statesmen to reflect well. What good would it be to speak of the autonomy of Canadians if in associating with the other countries of the Empire for the purposes of general defence Canada lost her individuality and authority? If we are to change the situation of the Dominion, let us try at least to change it for the better and not for the worse. Of course, Canada's independence should be attained without any regrettable friction and with the unanimous consent of all the parties interested. At the same time, it is the aim of all people who pride themselves on having an ideal and having at heart the high destiny of their country to be able to say one day, "We are free, and capable of guarding our own destiny." It will be in vain to present Imperialism under new forms and under a cloak of a benevolent and protecting fraternity if we have our eyes well open and ask ourselves the only question which fits the circumstances, "Where are we going?"

La Minerve, another French journal, thus states its position :—

If our country is a nation, let it occupy the position seriously, and not to the detriment of its interests. This is touching on a very complicated question, and it is the part of wisdom to look well before we leap. We must judge according to the actual facts, and not under the inspiration of prejudices. But let us not forget, above all, to be Canadians—and put Canada first.

The *Toronto Star* questions if the Prime Minister of Canada can give as much time in the future as he has been required

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to give in the past to Imperial Conferences and consultations in London. "The direction of the affairs of Canada is a task sufficient to occupy the whole of one man's time and energy. If Canada is to continue to take a real part in Imperial business and foreign relations, that also is one man's business." The *Star* continues:—

There may be some hesitation about allowing anyone but the Prime Minister to represent Canada at any Imperial Conference at which the country may be placed in a new constitutional position or committed to certain lines of action. In any case, and no matter who our representative may be, the possible commitments should be very carefully considered. We cannot allow any Imperial Conference to drift into the position of a governing body. Its recommendations must not be allowed to have the authority and force of laws. Our representative must have definite instructions from the Government and Parliament of Canada, and he must not permit Canada to be committed to any course without the consent of that Government and Parliament.

The *Toronto Mail and Empire*, however, contends that some instrument of government must be devised for the Britannic union. It thinks the need has become greater with increasing community of interest. If the provisional arrangement under which the Mother Country and the Dominions acted together was unsatisfactory before the war, it must be, according to this influential journal, more unsatisfactory since the change in the status of the Dominions.

Under the British system (says *The Mail and Empire*) progress in political development is never sundering. The reason is that such progress is always the result of free will. Consequently the loyalty of the Dominions to the Empire increases with their advance. How perfect is the spirit of co-operation among the countries of the British Empire was made manifest to the whole world by the speedy rally to the Mother Country of all her Daughter States in the war-time. That was the most wonderful thing of its kind in the history of the world. No parent state ever before had such proofs of loyalty from its offspring as Britain had from the Dominions in that time of crisis. The spirit of co-operation being of such vigour, it instantly overcame the defects in the machinery of co-operation. That,

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however, is no reason for keeping the machinery of co-operation in a state of defectiveness. Possibly hundreds of thousands of lives would have been saved, possibly billions of dollars might have been retrenched, had the Empire been in the state of political and defensive organisation in which it ought to have been before the war broke out. To-day we are talking of Canada's problem of naval defence, and Admiral Lord Jellicoe is here to advise us as to the solution of that problem. It is part of an indivisible problem of the Empire, and we must have an Empire organisation that will give effect to the will of the component States in the matter of naval policy. And so for other great questions of Imperial politics. Though the Dominions have become practically independent States, that only makes them more intimately associated with Britain as nations of the Empire, and only adds to their several responsibilities for the Empire's foreign policy and the Empire's defence and smoother co-operation.

It will be clear from these extracts that naval policy and Imperial organisation are exciting profound interest in Canada. Perhaps it is natural that we should have a time of very free discussion after the long repression which was a necessary condition of war. There is the feeling also that the next Imperial Conference must reach momentous decisions, and determine for years to come the status of the Dominions in the Empire. All those who suspect the designs of Imperialists are, therefore, alert and apprehensive. All those who see a destiny for Canada outside the Empire recognise that they are in danger of final defeat. Hence the desire to delay action and maintain indefinite relations between the Dominions and the Mother Country. The masses of the people, however, are not greatly disturbed. They know that their destiny is in their own hands and that, whatever may be the future position of Canada in the Empire, there will be no attempt at Imperial cajolery or Imperial compulsion. It is necessary to remember also that many of those who contend for freedom of action by the Canadian Parliament and freedom of judgment by the Canadian people are as devoted to the Empire as the recognised "Imperialists," and are only concerned to ensure that its unity shall not be endangered by precipitate

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action and premature decisions, that the national feeling of the Dominions shall be expressed in any machinery that may be created, and that there shall be free and full assent by the people to all obligations which they may be required to assume as partners in the Imperial Commonwealth.

Canada. January, 1920.

AUSTRALIA

I. THE DEATH OF MR. DEAKIN

THE death of Alfred Deakin, on October 7, was not unexpected. It was known that the malady which had crippled his once nimble and versatile intellect was incurable, and those who knew him in his brilliant prime, and had memories of the qualities which made him one of the most lovable of men, could only feel that every day added to his last clouded months was a cruel postponement of liberation. For thirty-four years, until his retirement in 1913, he was almost incessantly engaged in Australian politics. He was one of the chiefs of a long-lived Ministry in Victoria (the Gillies-Deakin Government) before Federation. He was Attorney-General and thrice Prime Minister of the Commonwealth. Before the war he was better known outside his own country than any other Australian public man, except perhaps Henry Parkes, had ever been.

All the articles which have been published about Deakin comment upon his astonishing oratorical powers, and these were, indeed, so great as to be the first of his endowments to command attention. His fluency, the play which he could make with words—from impassioned eloquence to the lightest badinage—and the deep well of his memory, whence he could upon the instant draw quotations, allusions and imagery in apparently inexhaustible profusion and variety, were gifts of genius. But it would be unjust to Deakin to suppose that he had not much more solid

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recommendations. He took politics with intense seriousness, and was an enthusiastic slave to work. Vigorous administration, for him, meant not only exacting labour by his officers but also most of all by himself. This enthusiasm was exerted with especial benefit, first when the Australian Commonwealth was being brought into existence, and secondly in the period of its legislative foundation between 1901 and 1904. In these years Deakin was at his best. In Cabinet he was shrewd, quick of grasp, far-seeing, full of initiative energy, and his constructive capacity was of a high order ; whilst his infallible tact, suavity and charm enabled him to exert a reconciling influence over his colleagues and in the legislature.

A man less sensitive would not have broken under the strain, tense as it became after the Labour Party struck out to control the machinery of government. Deakin hardly reached the threshold of old age, and ought to have had ahead of him some years of ripe, mellow serviceableness. He was only 57 when premonitions of his darkening end compelled him to retire. But he poignantly felt and suffered about things which men of more gusty and phlegmatic disposition, like Forrest and Reid, would cast aside and forget within the hour. Deakin lived and worked at a high temperature, and the fires of political conflict burnt him out. There never was any prospect of his return to public life after he entered his cloistered seclusion in 1913. The memory of his singular gifts, his power of persuasion, his graciousness, sweetness of temper and warmth of affection, will live with his generation ; in historical perspective he will stand out large and radiant as indubitably one of the makers of the Commonwealth of Australia.

Lord Jellicoe's Report

II. LORD JELlicOE's REPORT

LORD JELlicOE arrived at Albany in Western Australia on May 15, 1919, and left Melbourne for New Zealand on his return voyage in September. In the interval he conferred with Ministers, prepared and presented his report, inspected naval bases, visited the principal cities of the Commonwealth, and extended his tour to the northern islands. He took many opportunities of impressing on his hosts that he had not come to Australia for ceremonies or festivities, but for work, and that the main object of his tour was to acquire information for his report. But the tour achieved a secondary object which may or may not have been contemplated when it was planned. Interest in naval affairs in Australia had been diminished during the war by the absence of the Fleet, by the obscurity which covered all its movements, and by the overshadowing glory of the A.I.F. Lord Jellicoe in more than one passage in his report and in his covering letter refers to the lack of such an appreciation of sea power as has been impressed on the British people by centuries of experience. No better means to create and stimulate such a feeling could have been devised than the presence of an Admiral of the Fleet who had played a great part in the victory of the Allies and whose flag was flown by a famous battle cruiser, the gift of a sister Dominion. Lord Jellicoe's many distinctions were reinforced by great charm of personality. He was universally popular. Whenever he spoke he revealed keen insight into the strength and weakness of the Australian character, and a readiness to appreciate our social and economical difficulties, difficulties which the coincidence of his visit with the prolonged seamen's strike made specially obvious. Such an attitude of mind ensured for him sympathetic attention alike when he insisted on his belief in the overwhelming importance of sea power to Australia and when he urged the need for sacrifice in

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order to maintain it. Whatever criticism may be directed against the report, the visit was a personal success of a high order.

The same qualities of insight and sympathy are conspicuous in those chapters of the report which deal respectively with discipline and with administration. No one could speak with greater emphasis on the need for discipline as a vital element in naval efficiency or on the dangers of political interference. Lord Jellicoe does not disguise his fear that both these dangers may arise in Australia in a degree sufficiently serious to jeopardise the future of the Australian Navy, but his method throughout his investigation has been to inquire into causes as well as to indicate defects. He finds that political interference is tolerated, not because of an ineradicable defect in the national character, but because of a failure to appreciate the vital importance of naval defence, a failure caused partly by the strength of the British Navy and partly by the isolation of Australia from the former danger centres of the world. It may be disclosed in one of two ways—either through the Minister for the Navy ignoring his expert advisers in matters of policy, or through decisions on matters of discipline being overridden at the instigation of Members of Parliament. On the first of these points Lord Jellicoe had before him the report of a Commission which had commented adversely on the tendency of the Minister for the Navy to override the expert members of the Naval Board, and the reply of the Committee of the Cabinet insisting on the sole responsibility of a Minister to Parliament. He suggests as a medium course that naval members of the Board should be allowed, in the case of a dispute, to have their views put before Parliament through the Prime Minister. The method may be no more acceptable to Ministers than the proposals of the Commission. Probably satisfactory relations between the head of a Department and his advisers depend less on any hard and fast rule than on the good sense of the Minister for the

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time being. Lord Jellicoe, perhaps, has given scarcely sufficient consideration to the relations which have always existed in England between the First Lord of the Admiralty and the First Sea Lord.* But a warning issued by one of the highest authorities in the Navy that naval officers will resign, and will not easily be replaced, if they are frequently overruled in matters either of policy or of discipline must have its effect on any Ministers who take their responsibilities seriously.

The question of discipline is approached in the same spirit. In one paragraph of his covering letter he says "I have heard it stated that Australians will not submit to discipline. It is impossible to believe that those who give expression to such an idea are really acquainted with the nature and object of the discipline which they criticise." The advice given to Australians in this part is ideally fitted to persuade them not only that discipline is vital to their safety but that they are well qualified to accept it. It appeals to the spirit of good comradeship which was conspicuous in the A.I.F. It is addressed to officers of all ranks as well as to the lower deck ; it emphasises not only the duty of obedience, but the duty equally incumbent on an officer of studying the feelings of his subordinates, of denying himself any privileges which are not open to them, and of himself being ready for any duty which he is likely to call upon them to perform. There could be no better refutation of the opinion, by no means rare in this country, that a British naval officer, however high his attainments, is ill-fitted to understand the character of Australian seamen, nor could any words have been better chosen to deal with the real enemies of discipline in Australia, the sense of class antagonism and the idea that disobedience, whether to an employer or an official, is the natural emanation of an independent spirit.

* See the dissenting report of Mr. Andrew Fisher, High Commissioner for Australia on the Dardanelles Commission, and Lord Fisher's "Memories," p. 58.

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The object of Lord Jellicoe's visit was originally defined by the Admiralty in the following somewhat vague terms :—

To advise the Dominion authorities whether, in the light of the experience of the war, the scheme of naval organisation which had been adopted or may be in contemplation shall be modified, either from the point of view of the efficiency of that organisation for meeting local needs or of that of ensuring the greatest possible homogeneity and co-operation between all the naval forces of the Empire, and should the Dominion authorities desire to consider how far it is possible for the Dominions to take a more effective share in the naval defence of the Empire, to give assistance from a naval point of view in drawing up a scheme for consideration.

Although this mission was arranged at the request of the Australian Government, it is apparent that in framing these terms the Admiralty contemplated subsequent visits to New Zealand and Canada. They were subsequently set out with greater clearness in relation to Australia by the Acting Prime Minister under the following general heads :—

(a) Naval strategical problems affecting Australian waters and the Pacific.

(b) Future composition of the Australian navy.

(c) Naval base and supply of requirements in the Pacific and East Indian waters, and general organisation of the naval forces and administration.

Those parts of the report which deal with naval bases and naval strategy and with questions of detail, such as the utility of submarines in Australian waters, in view of extreme depths of some waters and extreme heat of others, necessarily remain confidential. The report as a whole rests on certain assumptions, some of which it was necessary to make in order that the problem of Imperial Defence might be considered at all ; others of which depend on future contingencies which it was not within Lord Jellicoe's province to discuss. He assumes that the Empire will remain united in future wars, or at all events in all wars threatening its existence, that no scheme of international

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disarmament will be agreed upon in the near future, and that the members of the British Commonwealth will be at liberty to arrange among themselves a common policy and a common system of defence, notwithstanding the establishment of the League of Nations. He further assumes that the Australian policy of local navies promulgated in 1909 will be maintained, and that, although the defeat of Germany has removed the necessity of concentration in the North Sea, financial reasons will prevent the British Navy from taking the preponderating share in the defence of Eastern waters which was assigned to it under the former naval agreement. He further states as facts requiring no elaborate discussion that war experience has shown the necessity of the Empire possessing much greater naval strength abroad than has been the case during the present century, and with all the emphasis to be derived from his rare use of italics that "*Australia is powerless against a strong naval and military Power without the assistance of the British Fleet.*"

The report, so far as it relates to Australia, may be regarded as an attempt to reconcile the policy of local navies with the requirements of efficiency and safety. The outstanding defects of local navies are divided control in peace, if not in war, and the danger of inefficiency arising from a restricted area of intercourse and of competition. Lord Jellicoe's plan for meeting the first of these dangers is to establish an Imperial fleet in Eastern waters and to give the supervision of all naval affairs in these waters to a high naval officer with no sea-going duties, to be stationed at Singapore. The proposal had been foreshadowed in England in a speech delivered by Colonel Amery before this report had been published. It is supported by the following sentence of the covering letter:—

The waters between Africa to the West and America to the East must be taken as a whole. All portions of the British Empire situated in these waters are equally interested in their security as regards sea communication.

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And again from the Report :—

Whatever improvement takes place in the method of communication between the British Admiralty and the far East, it is inevitable that the great distance must result in difficulty and delay. A point of still greater importance is the lack of such intimate knowledge by the Admiralty of far Eastern questions, political, naval and military, as will be possessed by those on the spot. It was very clearly exemplified during the late war that it was difficult to visualise and realise at a distance of even some 3,000 miles the conditions existing in the theatre of war. It will be far more difficult to realise these conditions if the theatre of war were, say, 10,000 miles distant.

The Singapore fleet will include ships of the Royal Navy, the East Indies Squadron, and any vessels furnished by Canada, New Zealand and the Malay States, stationed in far Eastern waters. Its purpose will be to keep communications open, to provide convoys, and to drive the enemy from the seas. But in addition Australia will require local forces capable of fighting a delaying action, and of resisting invasion before help from the main fleet could be obtained. Lord Jellicoe does not guarantee that in time of war British ships could remain in Eastern waters, and he points out :—

Australia is faced with the problem of invasion due to the attractions offered by the great potential value of the land and the very small population occupying it. The difficulty of guarding Australia against invasion is greatly increased by the fact that the population of the Commonwealth is so small, by the absence of strategic railways, and the great distance from the Mother Country with its naval and military support.

Lord Jellicoe therefore divides Australia's requirements into three classes—striking force, direct defence of trade, and harbour defences—and he lays down a programme which, when finally carried out, will equip Australia with two fleet units, a trade defence fleet of four light cruisers and eight armoured local ships, and a harbour defence force of twenty destroyers, 10 submarines, 82 mine sweepers (of which 74 should be fishing trawlers), and 4 boom defence vessels.

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This scheme is based on the conviction, apparently held by the advisers of other great naval Powers, that the capital ship is still the most powerful instrument of naval warfare. It prescribes what the writer considers the minimum standard for safety, but the minimum is extremely costly, and the cost to each Dominion in comparison with former estimates is relatively higher because for the first time it is assumed that the Dominions will take a share of the cost proportionately equal to that taken by the United Kingdom. On this basis, after making allowance for the special interest of Australia in the Pacific, the share of Australia is fixed at 20 per cent., of New Zealand at 5 per cent., and of the United Kingdom at 75 per cent., leaving Canada free to contribute to the defence of her own coasts and of her Atlantic trade, and South Africa to maintain communication by way of the Cape. On this basis the cost to Australia for maintenance and construction will fluctuate until 1926 between £4,000,000 and £6,000,000 per annum.

In many passages Lord Jellicoe insists that money will be wasted on maintenance and construction unless the *personnel* of the Fleet is maintained and kept efficient. He makes valuable suggestions for recruiting and education, aiming to give the navy the benefit of a full twelve years' service, and to give the seaman the assurance of a career when his term is at an end. In order that a high professional standard may be preserved, he discusses three suggestions for the promotion of officers :—

(1) All executive officers of the Royal Navy, the Royal Australian Navy, and the navies of such other Dominions as follow Australia's example, to be placed on one list from which they should be promoted to the ranks of Commander and Captain by selection, as is the case in the British Navy to-day ; or

(2) To make the list of officers common only after the rank of Lieutenant-Commander or Commander is attained ; or

(3) To keep executive officers on a separate list for each navy and to give Dominion officers experience in large fleets and in the Royal Navy by frequent interchange with officers of the Royal Navy.

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Lord Jellicoe favours the first plan, but acknowledges that it may not be acceptable in the Dominions. Both the first and second involve a considerable abrogation of Australian control in favour of the Admiralty, and the third is open to the fatal objection that the more ambitious British officers object to serving in a small navy, and that none but the ablest are equal to the task of accommodating themselves to Australian conditions.

The arguments for and against this scheme no doubt involve the consideration of Imperial and inter-Imperial policy, which may be deferred to an Imperial Conference. Armaments depend on policy, and these armaments must be regulated by the competition now in progress between Japan and the United States and by our relations with these two Powers. Perhaps Lord Jellicoe or Colonel Amery believes that a sufficiently strong argument is supplied by the naval preparations of Japan. If such a belief were correct, then no complaint could be made of their cost, either by those statesmen who urge that Australia should have a share in directing the foreign policy of the Empire, or by their opponents who claim for her complete self-determination. The report has the great merit of bringing the people of Australia face to face with the possibilities of their position. It conceals none of the burdens of naval autonomy and none of the obligations of membership of the British Commonwealth. Perhaps for that reason it has received little attention at the Federal Elections. Indeed it has scarcely been mentioned, unless a demand for full local control in the manifesto of the Labour Party can be said to be directed against this report. But the causes of neglect are not merely temporary. It is one of many signs that we are not yet accustomed to the responsibility either of autonomy in defence or of participation in the conduct of foreign affairs. We are not able to realise the dangers against which this scheme is intended to guard, or indeed whether any such dangers exist. There is no sense of a present menace in Australia similar to that

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which secured a high rate of naval construction in Great Britain in the years preceding the war. Necessarily there was no discussion of foreign policy in this report, but it needs a thorough exposition of foreign policy to convince people that the maintenance of great strength in Eastern waters is necessary either for Australia or for Great Britain. Again, since Lord Kitchener's visit, Australia has been treated not as an island but as a continent. Defence for us has meant the training of land forces, and we have not yet realised the truth, on which Lord Jellicoe insists, that our safety lies in maintaining control of the seas. It is another reason for desiring a larger circle of readers for this report, that the party which foreshadows a complete, though ill-defined, self-determination is the party which alludes most often to an Eastern danger and claims it as a reason for dissociating ourselves in defence from the Admiralty and politically from any form of Imperial control.

III. THE FEDERAL ELECTIONS

IN Australia, although all electorates vote simultaneously, some time must always elapse after the date of polling before complete results can be ascertained. Country constituencies are widely scattered, and in some cases almost equally divided. The state of the polling, therefore, may depend on the last return from the most isolated township. The position of candidates for the Senate, for which each State votes as one three-membered constituency, may vary from day to day over a period of some weeks. The reasons for delay have been increased this year by the introduction of a system of preferential voting for both Houses. It has been necessary, therefore, to write this article without knowing the exact position of parties in the new Federal Parliament, which was elected on December 13, 1919.* It is clear, however, that, while the Nation-

* See Note at the end of the article for final results.

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alist Government will remain in power with a substantial majority over the Labour Party, it may be dependent on the new Farmers' Party for an actual working majority in Parliament. The farmers, while insisting on the independence of their representatives, have promised a general support for the Nationalist Government. The farmers' representatives have polled well, though not so well as was anticipated. The official Labour Party, however, has suffered a severe disappointment. There has been no general reaction against the administration which held office during the difficult period of the war, nor is there any indication that those members who left the Labour Party with Mr. Hughes have lost the supporters who voted for them in the "Win the War" Election of 1917.

The preferential system was introduced to prevent the election of a candidate with a mere plurality vote. It is the device of a party which has always suffered by comparison with its opponents from lack of discipline ; but it does nothing to make Parliament more representative of public opinion, and thereby to increase its authority. A very slight majority in the constituencies may still be represented by a very large majority in Parliament. The disparity is especially noticeable in the Senate. Although parties may be almost equally divided, in each State one party may elect all three Senators and the other none. It is felt that the Government have lost an ideal opportunity by preferring the preferential system. The Senate especially would have benefited by proportional representation. It might have become a genuine reflection of public opinion instead of being the echo of the House of Representatives which it is to-day. And this change could have been made without any redistribution of seats, since the Senate is composed of six representatives from each State, three of whom are elected at each general election. By their failure the Government have left themselves exposed to the charge that no change at all would have been made

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but for the decision of the Farmers' Party to support candidates of its own, whose second preferences would be given to the Nationalists.

The Farmers' Party began to show its strength in Victoria at by-elections during the last Parliament. It was the outcome partly of a belief that the interests of primary producers should be specially represented, and partly as a protest against undue interference by Government with trade. The farmers claimed to have suffered from the handling of their wheat and butter during the war, and were alarmed by some suggestion of Mr. Hughes that in pursuance of his scheme of destroying the middleman the precedent would be followed in time of peace. Their strength in the country cannot be ascertained until it is seen what support has been given to their candidates for the Senate. But the signs of their growing strength in the constituencies won them the support of a number of Nationalists in the last Parliament, and were very welcome to those members who strongly resented the increasing subordination of Parliament to the Executive.

The Federal Parliament was dissolved before its full three years had expired, because, in the opinion of the Prime Minister, it had exhausted its mandate and had no authority to deal with post-war problems. The Nationalist coalition had been formed to enable Australia effectively to co-operate with the Allies during the war, and there was no necessary agreement among its members on any other point. Mr. Watt, who, during Mr. Hughes's absence at the Peace Conference, had carried out the thankless duties of an acting Prime Minister with full responsibility, but without liberty of action, had expressed a somewhat different opinion. In view of the seamen's strike, the leaders of which had uttered threats of revolutionary action, and of many other expressions of contempt for the authority of Parliament and for the decree of the Arbitration Court, he had urged that the Coalition should remain in existence for the defence of constitutional government. Mr. Hughes,

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however, on his return declared that he did not know which party he belonged to, and was himself still a Labour man and a Socialist. He had left Europe at a time of great industrial disturbance, much of which was attributable to the high cost of living and to the resentment aroused by disclosures of extortionate profits. He realised that the same conditions of class hatred, uncertainty, and general apprehension existed in Australia, and, before leaving, announced his policy as death to profiteers and Bolsheviks. Mr. Hughes appears to have sincerely believed that, with a policy stated in these general terms and on the strength of his achievements in Europe, he would be given the position of a National leader with full authority to cure the ills of the Commonwealth; but conferences with friends and colleagues appear to have convinced him that except as a member of the National Party there was no place for him in Australian politics, and he found the Nationalist Party by no means united. Some of its members, including members of the Government, were apprehensive of the effect on trade and industry of an indiscriminate campaign against the profiteer; others resented his dictatorship and his tendency to ignore Parliament, and even his own Cabinet, in important transactions. There was no attempt to supersede Mr. Hughes in the leadership, but his followers, while admitting his strength of personality, were by no means confident that they would be able to accept all he might say or do.

The Labour Party in Parliament was weak, both in numbers and in ability. Its leader, Mr. Tudor, had never any standing outside the State of Victoria, and during the referendum on conscription had been overshadowed by Mr. Ryan. But its strength was thought to be much greater in the country than in Parliament, and to have been increased by a widespread, though vague, belief that the Government had not been sufficiently alive in dealing with the cost of living or in taxing profits made during the war. A change was made, therefore, in the

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leadership by the appointment of Mr. Ryan, then Premier of Queensland, to the novel office of campaign director, so that Mr. Tudor retained his dignity while losing his importance. Mr. Ryan brought to the party both energy and resource. He appealed to every instinct of self-interest and to every sense of grievance. But his record, both as Premier of Queensland and as a would-be leader of Australian opinion during the war, was fatal to his success. He had shown himself a man of no convictions, willing to trim his sails to any breeze of popular favour. His record in Queensland was a proof that the methods by which he had gained and kept himself in office must in the long run be fatal both to orderly government and to financial stability. Mr. Ryan, no doubt, stirred the enthusiasm of those Irish voters who had applauded him and Archbishop Mannix during the conscription referendum. But they would have voted against the Government under any leader, and the racial and religious emotions on which they voted impelled many others to vote against Mr. Ryan. His appearance undoubtedly consolidated the Nationalists, and probably gained them the support of some electors who on industrial issues would have been inclined to sympathise with Labour. In an election which, as it developed, became very much a personal contest they found it impossible to vote for a man who in the darkest hour of the war had been associated with a resolution that Australia should no longer participate in the sacrifices of the Empire and of its Allies.

In his speeches delivered before the opening of the campaign Mr. Hughes appealed for support on three main grounds. He claimed to have represented the true spirit of Australia during the war, and to have defended her interests successfully at the Peace Conference. He appealed to the returned soldiers as the protector of their special interests. He prescribed a gospel of work and increased production, and he promised in equally vague terms to remove the legitimate causes of industrial dis-

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content. In order to fulfil this last promise he claimed that new powers should be conferred on the Commonwealth Parliament, so that it would be able to deal with trade and commerce within as well as between the States, and in particular that it should have power to regulate prices and control monopolies. Price-fixing during the war had been sustained by a decision of the High Court, which, somewhat unexpectedly, had treated it as an exercise of the power of defence. But it was claimed that unless the Constitution were amended the control of intra-State trade and commerce, including the right of price-fixing, would revert to the States. Here, however, Mr. Hughes had an experience of the difficulties of his position as a Nationalist leader. The party was agreed that the time had come for a general revision of the Constitution, and on the whole, that if prices or wages were to be regulated by law, the task should be carried out by an authority having jurisdiction over the whole of Australia. But it was as a whole opposed to so extensive and indefinite an increase of Commonwealth power as had formerly been championed by Mr. Hughes; and in all the States but Queensland it had a majority in the State Parliament. Mr. Hughes was compelled, therefore, to propose a bargain with the State Premiers in order to prevent a schism within the party. After negotiations with them which were not wholly successful, he proposed that the Commonwealth should be entrusted with authority to deal with what he described as the aftermath of the war, that a referendum should be held at the General Election by which the necessary additional powers should be secured for the Commonwealth, that these powers should be exercisable for a limited period only, and that before the end of 1920 a Convention should be held to prepare a general scheme of constitutional revision. This compromise was supported by the Nationalist members in the Federal Parliament, and was accepted by some Labour members as a step towards unification which could not be retraced without consider-

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able difficulty. But it was never accepted by the Nationalists in the country, and it was opposed by the farmers, not on constitutional grounds, but because it foreshadowed the increase of government interference with trade and commerce.

The Labour manifesto furnishes documentary evidence of the decline in political vision and in sense of responsibility which began in the party at the time of the first conscription referendum, and has not since been arrested. It contains a series of promises without suggestion of the means necessary for their redemption. Offers are made to invalids, old age pensioners and others involving new expenditure to the amount of some seventeen millions per annum. The Government is to take control of banking and insurance businesses to an unspecified amount. The compulsory system of naval and military training is to be abandoned in favour of a voluntary army on a more democratic basis. This proposal is followed by a demand for the more complete self-determination of Australia, and for a change in her position as a member of the British family of nations. There are the usual denunciations of profiteers and high prices. By whatever hand the manifesto was drafted, the spirit is the spirit of Mr. Ryan. Greatness is promised without sacrifice, and ease without work. The clauses are drafted as if designed to arouse the hopes of every interest without antagonising any, and as if it were expected that no one section of voters would look beyond the immediate satisfaction of its own claims.

The campaign began with an incident which, unfortunately, can be regarded as to some extent characteristic of both leaders. Mr. Hughes, on his return, declared himself to be the friend of the soldiers, and had promised to do for them whatever they asked. He was no doubt sincere, but the promise was stated in the same vague terms as his other proposals. Shortly afterwards the New Zealand Government made a promise to pay the members of the Expeditionary Force a gratuity of 1s. 6d. per day. There-

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upon the soldiers demanded that Mr. Hughes should translate his promise into action and make a gift to them at the same rate. When it was officially estimated that the amount involved was £25,000,000 some few newspapers ventured to hint at the consequence of such a gift. It was pointed out that the payment could not be made immediately without increasing the note issue, and thereby increasing the cost of living, and that it could not be raised by loan without depressing the loan issues already made. Mr. Hughes, however, announced that the payment must be made, and stated that it would take the form of non-negotiable bonds, which would be taken at their face value for repatriation purposes. He did this without consulting Parliament, but except on that score no protest was made. Mr. Ryan, however, saw his chance, and announced that the Labour Party would pay the same amount in cash. Meetings of protest were at the same time held in the State capitals by organisations of soldiers, in which the Government were threatened with the loss of the soldiers' vote if they did not equal Mr. Ryan's offer. Thereupon began a competition between the two leaders in which the last thing considered was the interest of the community as a whole. Ultimately the Government made an arrangement by which bonds were to be taken at their face value by certain large employers, and the greater part were to be redeemed out of the first instalment of the German indemnity. The incident is typical of the methods of both leaders. Mr. Hughes acted as an autocrat. He evidently imagined that his first offer would be sufficient, but was ready to change from day to day in order not to lose support. Mr. Ryan was ready to outbid him whatever he offered. No one reaped any credit from the competition. It is due to the soldiers to say that the greater number refused to take any part in what looked like an auction sale of their interest in the country to the highest bidder.

This incident is also in one respect typical of the spirit

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in which the campaign was conducted between the two leaders. It became very largely a personal contest between Mr. Hughes and Mr. Ryan. Mr. Hughes insisted on his services as the defender of the White Australia policy at the Peace Conference and on Mr. Ryan's lack of loyalty or patriotism. Mr. Ryan's general answer was to say that Mr. Hughes had imposed unnecessary sacrifices on Australia, and that the Nationalist Government was incapable of dealing with profiteering through its association with large commercial businesses. The respective records of Mr. Ryan and Mr. Hughes were very relevant topics for the electors to consider. But the prominence given to them made genuine political discussion impossible. There was scarcely any criticism by Labour leaders or by Ministers except by Mr. Watt, who had an easy task in showing up the weakness of the Labour manifesto. The attention of the electors was never seriously directed to the crying needs of the country, to its growing taxation, to its heavy burden of debt, to disclosures of extravagant expenditure, which have been made during the war by one commission after another, or to the steady decrease in production which has been caused mainly by the drought, but partly by the attraction of loan expenditure in the big cities. It would be untrue to say that the new Parliament will suffer in quality by the absorption of the party leaders in these recriminations. The Labour Party in Queensland, at any rate, has lost the votes of the extreme or Bolshevist section. But the Nationalist victory has not been a complete triumph for Mr. Hughes. The defeat of the Government referendum proposals is certain. Mr. Hughes will not have the powers for which he asked, and will not be able to deal with industrial discontent, except through existing machinery and a limited improvement of the arbitration system. The electors have refused to give him authority without being told how he would use it. Parliament, moreover, will be independent of the Executive; it will insist on economy and on the almost forgotten right of

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supervising expenditure and proposed Bills. So far as public opinion has been able to make itself heard during the elections, it has insisted on the need for Parliamentary independence and for economy. Mr. Hughes will not easily submit to any check on his dictatorship ; but he can console himself by remembering that his chief critics among his supporters, the farmers' representatives, have insisted in the opening of their election programme that Australia shall retain its place within the British Empire, and that, whatever other interpretation may be given to the election figures, they have shown that the people of Australia will not tolerate any weakening of the Imperial tie. His has been a defensive victory, in which the majority have shown a full realisation of the dangers of misgovernment without giving unqualified approval to any policy.

Australia. December, 1919.

NOTE.—The final figures of the General Election in Australia show the following result :—

<i>House of Representatives.</i>					
Nationalists	..	..	..	..	40
Farmers	..	..	..	..	9
Labour	..	..	..	..	26
					—
					75
<i>Senate.</i>					
Nationalists	..	..	..	..	35
Labour	..	..	..	..	1
					—
					36

SOUTH AFRICA

I. THE COMING GENERAL ELECTION

THOUGH no date has yet been fixed for the general election it is generally believed that it will take place before the end of March. In the ordinary course of events the present Parliament would continue in existence till October. The Government, however, evidently (and very naturally) does not desire to face another session. It does not command a majority in Parliament. It has depended for its existence since the last election in 1915 on the support of the Unionist Party, but that support was given solely on account of the war and cannot any longer be counted upon. To meet an expiring Parliament, in which every party would be bent on making capital for the coming election, without a majority within its own ranks, is a course which no Government would willingly take. The only alternative is an immediate dissolution, because the financial year ends on March 31, and before that date a vote of supply must be taken for the coming year. Either the present Parliament or a new one must therefore meet before March 31.

It is not quite clear yet, however, if the necessary machinery for a general election can be got ready in time. A new delimitation of the constituencies of the Union has just taken place. It was delayed owing to war exigencies for two years beyond the time at which it would normally have taken place, and the judicial commission which was appointed last year to carry out the delimitation only reported at the very end of the year. Their report indeed was not published until early in January. The work of preparing the voters' roll in accordance with the new

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delimitation will certainly take most of the time between now and the beginning of March, and, indeed, will only be done by then under the spur of urgency. The probabilities, however, are that it will be done, and that a new Parliament will be elected in time to sit in March.

At the end of the special session which took place in September last, General Smuts (as was recorded in the last number of *THE ROUND TABLE*) made a moving appeal for national unity and for an effort to get away from racial lines of political division. He asked for the recognition of three principles as a basis of such unity—(1) the maintenance of the British connection ; (2) frank, honest and whole-hearted co-operation between the white races, and, (3) concentration on a policy of industrial development. This appeal was at once responded to by Sir Thomas Smartt, on behalf of the Unionist Party, who stated that his party readily accepted these principles for the future as they had in the past. This statement of the Prime Minister's, and the reply of Sir Thomas Smartt, were taken generally as an indication of a policy of co-operation between the two parties in face of the Nationalist attack on the Constitution .It was known to a good few of those who actively interest themselves in public affairs that the late General Botha had favoured some such step, and it was naturally supposed that his successor had made up his mind to carry on the policy of the dead leader. Beyond the circle of those who may be called politicians in the narrower sense there was a widespread feeling in the towns and industrial centres and in certain country districts, that the time was now ripe for some such step. It was felt that the constitutional agitation raised by the Nationalist propaganda was fatal to the peace of the country, and stood in the way of proper consideration being given to our domestic problems, to say nothing of the new and difficult issues raised by the Treaty of Peace and the Covenant of the League of Nations. What therefore could be more natural or reasonable than that those who stand for the mainten-

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ance of the Constitution, and believe that to be the most important question now before the people, should come together as a party and do their utmost at the forthcoming election on a common platform to secure a clear pronouncement from a large majority of the people against the Nationalist attack on the Constitution ? The expectations of the people who held this view were heightened by speeches delivered by General Smuts after the prorogation of Parliament, notably one addressed to his constituents in Pretoria, in which he said that he was tired of the old party war cries, and that if they wanted to carry on the politics of the country on the old lines of the last 20 years, he would have nothing to do with them.

So far there has been no clear proposal put forward even by those most in favour of co-operation between the parties as to the form which such co-operation should take, and even now there is a good deal of confused thinking on that subject. Since the election of the existing House of Assembly, that is, since the end of 1915, the Government of the Union has been carried on by a party which did not possess a majority in the House. The Government was able to carry on because the Unionist members were returned pledged to support General Botha's Government in seeing the war through. Without Unionist support the Government could not have lasted for a week, and the support was given without the party obtaining or asking for any share in the responsibilities of office. There was no condition to it except that the Government should do their best to help the Imperial Government to win the war. Now that peace has come, and the country is faced with a serious political crisis, the ordinary citizen is apt to ask why the two parties whose main principle is to support the constitution cannot just go on as they were. A little consideration, however, makes it clear to those who take the trouble to understand party politics that any "co-operation" between the two parties must take one of two forms. Either there must be a combination or amalga-

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mation of the two parties to form a new organisation, and to appeal to the people on one platform, or one of the parties must disappear in the other by a process of simple absorption. For the Unionist Party to continue to give its support to the Government in Parliament without any share in deciding what the Government policy is to be, and without any voice as to how it is to be carried out, would be to commit political suicide. We may therefore dismiss from consideration any idea of "co-operation" which does not take one of the two forms mentioned—which for convenience may be named amalgamation and absorption.

At the General Congress of the Unionist Party, held at Bloemfontein in the last week of October, the decision of the party as between these two alternatives was very clearly and emphatically expressed. The leader of the party stated that he was prepared, on behalf of his party, to agree to the formation under the leadership of General Smuts of a new organisation, having as its main object the maintenance of the Constitution and providing fair representation for Unionist principles. But he was not prepared to advocate the absorption of the party in the South African Party. This pronouncement was received with acclamation by the most representative Unionist Congress that has been held since the formation of the party. The next move was with General Smuts, and it was not an easy one. The South African Party, though it contains a certain number—of late, perhaps, an increasing number—of dwellers in the urban and industrial centres and of persons of British race, still looks for its real strength to the country districts, and to the Dutch section of the population. Of these the personal influence and capacity for leadership of the late General Botha kept many within the fold of his party to whose traditions and interests the Nationalist propaganda naturally made a very strong appeal. To these, and in a greater or less degree to the whole Dutch-speaking section of the party, the idea of a combination with the Unionist Party, while they were still divided from their own kin in

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the Nationalist Party, was most distasteful. All their racial interests led them to regard re-union with the Nationalists as the true political ideal. Only by such re-union, as it seemed, could the Dutch-speaking people hope to maintain their influence in the country against the British element. Disunion could only mean the gradual subordination of all that they valued as a race. The first effect, therefore, of the movement towards each other of South African and Unionist Parties was to give a sharp stimulus to the movement for re-union (*bereeniging*) between the South African and Nationalist Parties, and various conferences were held with that object. There can be no doubt that such a movement appeals strongly to almost every section of the Dutch-speaking people, and the death of General Botha has removed one strong influence which kept the present South African Party together. The success of this movement would undoubtedly be a victory for the forces of re-action. It would produce a party numerically strong, but kept together solely by racial feeling, and would certainly call into being a similar organisation on the British side. Parties would again be divided on the racial line, and the question of the maintenance of South Africa's membership of the Empire would again be a question of British against Dutch. General Smuts, at the General Congress of his Party in December, put the position quite frankly before them when he said that : " Reunion with the Nationalists at the present moment would mean securing the political predominance of the Dutch at the expense of the peace and unity of South Africa, and he refused to pay the price." At the same time, he has evidently made up his mind that any attempt at combination with the Unionists would give an impulse to the movement for racial re-union, which he would be unable to control, and which might carry the majority of the Dutch-speaking supporters of the South African Party over into the Nationalist ranks. He has, therefore, decided to go to the electors on the old and much deprecated

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party lines, and his appeals for unity are now directed to obtaining accessions to the ranks of the South African Party, chiefly from the Unionists, to whom he still professes to look for "co-operation" in some undefined way in supporting the Government.

Four parties will therefore confront the electors—or five, if the Internationalist Socialist Group succeeds in nominating enough candidates to be worth counting. How the new Parliament will be divided as between them it is difficult at present to form any accurate forecast, but it is extremely improbable that any one of them will obtain a majority. It may be expected that the Labour Party will come back considerably stronger than it is now. At the last election it only succeeded in returning three members. It has gained two at by-elections, but it is safe to say that its present number does not adequately represent its voting strength in the country. The Nationalists also confidently expect a considerable accession of strength. The gains of both these parties will be at the expense of the South African Party and the Unionists. If this forecast is realised, General Smuts will be faced again with the problem of how to carry on the Government. Union with the Nationalists on the one side or with the Unionists on the other side, will again be urged on him by the respective wings of his party, and the only alternative to one or other of these courses will be another dissolution and a second election at which the same problem will come up for solution. It is indeed one which must be disposed of before we can have stable government in South Africa. Postponement does not get away from the essential facts of the situation, and the sooner this is realised the better it will be. The present political situation is one of unstable equilibrium, and cannot provide us with a Government strong enough to bring us through the critical position in which we are. It gives an air of unreality to political divisions and deprives Parliament of authority and even dignity at a time when its claim to be the real council of the nation is being called

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in question. We are going into this coming election without any effort to adjust the old political divisions to the new realities, and it is too much, therefore, to expect from it a more stable condition than we have now. The arts of the politician and the party manager will bring us to no good in our present situation. What we need is a little of the statesman's vision, combined with the courage that has confidence enough in the future to risk present defeat.

South Africa. January, 1920.

II. THE INDIAN PROBLEM

THE Asiatics Trading and Land Act, passed by the Union Parliament some months ago, has again drawn public attention to the general position of the British Indians resident in South Africa. Strong protests from the South African Indian community against the Act have inevitably given rise to sympathetic agitation in India; and the indignation of Indian subjects of the Crown, whether or not it may be justified by the facts, has received public and official support and encouragement in England. The Secretary of State for India, in replying to a representative deputation of Indians and of Englishmen associated with India, expressed himself as being in complete sympathy and agreement with their denunciation of the Act, and declared that he saw "legitimate grounds for the gravest disappointment at what had occurred." Sir William Meyer, who was a member of the deputation, advocated the adoption in India of retaliatory measures against the Union. Unofficial criticism has been no less vigorous. Mr. H. S. Polak, who, though not himself an Indian, was the recognised leader of the Indians in South Africa for some years after Mr. Gandhi's return to India, has published a statement of the questions at issue as he sees them, and has suggested that unless they are settled within the Empire India may be driven to refer them to the League of Nations.

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No one can wish to enter into any bitter and unprofitable controversy on this subject. We must all recognise that, at the moment when India is receiving a new charter of liberties, any action against Indians anywhere which bears the appearance of oppression must have a profoundly disturbing effect on the minds not only of the people of India but of all those who are responsible for the government of our Indian Empire. In so far as our Imperial policy fails to prevent the alienation of Indian opinion from the public sentiment of a great Dominion, that policy must be considered to have failed. On the other hand, if we are ever to compose the differences which now divide India from South Africa, we must have a clear understanding not only of the facts but of the motives underlying those differences. An attempt will be made in this article to explain the nature of the recent South African legislation, in what circumstances and on what grounds it was enacted, the fundamental problems created by the presence of a British Indian population in the Union, and the direction in which a solution of those problems must be sought. It has been implied, if not implicitly stated, in much of the criticism directed against the recent Union Act that the policy of the South African Government and Parliament towards Indians and the coloured races generally is one of senseless persecution. It is not difficult to demonstrate the injustice, indeed the absurdity, of such a view. Whether right or wrong, the Indian policy of successive Governments in South Africa has been on the whole intelligible and reasonably consistent. The questions dealt with by the recent legislation have confronted every Government in the Transvaal in the last thirty years, and have been solved by none, whether Dutch or English. The policy of the Crown Colony Government after the Boer war was not distinguishable in this respect from that either of the earlier Republican Government or of the later Dutch Government under General Botha. Nor is there to-day any essential difference

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between the treatment of Indians in the Union on the one hand and on the other in territories such as Basutoland and Bechuanaland, which are under the direct administration of Great Britain, or Rhodesia, where legislation is still subject to the real as distinct from the nominal veto of the Crown.

History of the Problem

The introduction of British Indians into South Africa dates from the early seventies, when the Government of Natal began to engage men in India to work as indentured labourers on sugar and tea plantations in the Colony. For this fatal decision to seek recruits overseas for the already overwhelming coloured population of the country the Government of India must share the responsibility with that of Natal. It was their deliberate policy, persisted in until so recently as 1911, to encourage emigration to South Africa. The policy of the two Governments has left a legacy of almost insoluble political and social problems; it cannot even claim to have been an economic success. The sugar industry indeed has flourished, but it owes its prosperity far more to an extreme protective tariff than to the Indian labourer, whose place has been to a great extent taken by the Zulu. Tea-planting in Natal is to-day moribund; the delicate work which it involves is beyond the capacity of the Bantu, and the doom of the industry was sealed when the stream of Indian immigration ceased to flow. For while some of the indentured labourers, after serving one or more terms of indentures, remained on the plantations as free workers, others returned to India, and the great majority sought a livelihood in Natal in occupations more congenial to their habits—as traders, hawkers, market-gardeners, waiters, or domestic servants. To-day fewer than 4,000 Indians remain under indentures. Many thousands of the Indians now living in South Africa were born in the country and have never been to India.

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In the early days of Indian immigration a certain number of Indians penetrated to the Transvaal and the Cape Colony, and there they or their successors may still be found. In 1911, the year of the last census, there were approximately 150,000 British Indians in the Union, and it is unlikely that this number has been increased by more than 10,000 or 15,000 since that date. Taking the 1911 figures, there were 133,000 Indians in Natal, 11,000 in the Transvaal, 7,000 in the Cape and 100 only in the Orange Free State.* In other words, nine-tenths of the Indian population of the Union are domiciled in, and therefore, as the law now stands, confined as to residence to, the one province of Natal, which from its tropical and sub-tropical climate offers them a more appropriate environment than any other part of the Union.

The question what position the Indians are to occupy in the South African State has been continuously present as a problem of government for more than thirty years. There have been lulls succeeded by crises, then lulls again. A long period of passive resistance to legislation culminated in 1913 in civil disturbances, which led directly to the settlement of 1914. That settlement included legislation and an agreement on administrative points between General Smuts and Mr. Gandhi. The legislation in effect prohibited the entry of any further Asiatics into the Union, a prohibition which was accepted as final by the Indian leaders; it recognised Indian marriages in certain cases; and it redressed certain grievances felt by the Indians in Natal. The administrative agreement was set out in public correspondence between the Government and Mr. Gandhi. After enumerating the administrative concessions which they proposed to make, the Government promised to apply existing laws affecting Indians "in a just manner, with due regard to vested rights"; but they added that

* The present European population of the Union is about 1,400,000; the native (*i.e.*, aboriginal) population probably about 6 millions; and the coloured population, excluding Indians and natives, possibly 600,000.

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they regarded the agreement as conditional on the settlement of 1914 being "unreservedly accepted by the Indian community as a complete settlement of the controversy." In his reply, Mr. Gandhi not unnaturally made certain reservations. He welcomed the concessions offered and recognised their importance; but he pointed out that his countrymen had not obtained "full rights of residence, trade and ownership of land" in the several Provinces. He had refused to make their demand for these rights a part of his passive resistance programme, but in his opinion "complete satisfaction could not be expected until full civic rights had been conceded to the resident Indian population." He had advised his countrymen "to exercise patience and by all honourable means . . . educate public opinion so as to enable the Government of the day to go further than the present correspondence does." No attempt was made in this correspondence to define "vested rights." Mr. Gandhi, however, in a private letter written at the time to the Government, said that, while anxious not to restrict the future action of his countrymen by pressing for a rigid public definition, he wished to put on record his own interpretation of the term, to which the representative then in South Africa of the Indian Government had assented. His definition was as follows:—"By vested rights I understand the right of an Indian and his successors to live and trade in the township in which he was living and trading, no matter how often he shifts his residence or business from place to place in the same township." There the matter ended. This private definition was buried in a departmental file and until a few months ago its very existence was unknown either to the public or to the Magistrates and Mining Commissioners concerned with the administration of the laws affecting Indian rights of trade or residence.

It must be clear from this brief summary that the settlement of 1914 was in its nature not a final settlement. The Government promised just administration of the law,

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but they imposed a condition which they can hardly have believed would in the long run be satisfied. The Indians for their part looked confidently for a change in European public opinion, such as would enable them still further to improve their position. It would probably be fair to say that all reasonable men in South Africa at that time recognised that new difficulties would arise and would have to be met ; and that in meeting them they would be bound by no obligation except that of at least maintaining the Indian in the status which he had acquired in 1914. The present controversy relates to the most complicated and difficult of all the matters not finally settled in 1914—those very rights of residence, trade and ownership of land in the Transvaal to which Mr. Gandhi then referred. These three questions are bound up together. The Indian in the Transvaal is by predilection a trader ; wherever he desires to reside or to own land it is almost certainly for the purpose of trading. The three questions may be resolved into one : “ On what terms is the Indian to trade in the Transvaal ? ” The subject cannot be made intelligible without some reference to the laws of the Transvaal ; and at the risk of tiresome detail it is necessary to explain what the effect of those laws has been.

Transvaal Trading Laws

In order to trade in the Transvaal both Indians and Europeans require licences. These may be of many kinds. The basic licence, that of a general dealer, is issued, on payment of a fee, by an official of the Union Government, and the Courts long ago held that there is no power to refuse the issue of such licences merely on the ground of the applicant's colour. A general dealer, however, is scarcely equipped to do business unless he can sell articles of food and drink ; and for a licence to be a grocer, a butcher, a pedlar, a hawker, or a keeper of an eating-house for Asiatics or Kaffirs, everyone, European and Indian alike, must,

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under a Provincial Ordinance of 1912, apply in urban areas to the municipal council. The council may refuse to issue the licence on the ground, *inter alia*, that "the applicant is not a desirable person to hold such a licence." An appeal is allowed to the Magistrate, a Government official, and unless the council can show "good and sufficient reasons" for its decision the Magistrate can order a licence to be granted and his judgment is final. For some years past it has been the practice of municipal councils to refuse most new applications by Indians for licences, and applicants have rarely appealed. A year ago, however, the Magistrate of Krugersdorp upheld three appeals by Indians in as many weeks, having satisfied himself that the council could have had no other reason for rejection than that the applicants were Indians—a reason which he properly regarded as neither good nor sufficient. The municipalities of the Province, threatened owing to these decisions with a flood of new applications from Indians, found their troubles aggravated by the rapid growth in the number of Indian owners of fixed property. Now a Republican Law of 1885, which is still in force, prohibits the ownership of fixed property by Asiatics in the Transvaal and indicates bazaars and locations as their proper abode. This law has been honoured entirely in the breach. Indians have never taken kindly to residence in bazaars, where their *clientèle* would be mainly restricted to their compatriots; and though these places have been appointed for them in many towns of the Transvaal, they rarely contain any Indians. The Indian preferred simply to evade the 1885 law. At first he did so by inducing a European to buy the property and to mortgage it to him for the purchase price, free of interest. In time a simpler and cheaper method was discovered. Indian A combined with Indian B, who might be his wife, and registered as a private company with limited liability the firm of A B and Co., Ltd. The Courts have held that a limited company, whatever the race or complexion of its shareholders, cannot possibly be an Asiatic, and these

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Indian companies have in the last few years sprung up like mushrooms and bought property in all parts of the Transvaal. There is a further complication. The Gold Law (*i.e.*, the Precious and Base Metals Act) of 1908 prohibited a coloured person from residing on or occupying any stand on proclaimed ground, except as a *bona fide* servant. The greater part of the Witwatersrand is proclaimed ground, as are also some of the larger urban areas in other parts of the Transvaal. This provision has not been consistently or at all actively enforced. It was meant to be enforceable only by the Government, and it was not realised that it was enforceable by any authority other than the Government until the Courts expressed a contrary opinion a year ago.

Such was the position at the beginning of 1919. The extension of Indian trading during the previous five years, the open evasion of the 1885 law, and a succession of judgments favourable to Indians on technical points had led to much public anxiety and some agitation on the part of Europeans. The atmosphere created by the war obscured many of these transactions, and aroused in the white population a general, if not universal, desire to postpone all subjects of racial controversy between the European and the coloured races. Hotheads, with an eye to their constituents, from time to time moved resolutions in Parliament and addressed indignant meetings; but the Government and the Opposition leaders united in suppressing such outbursts. It was clear, however, to all parties that trouble was brewing and that action could not be delayed indefinitely. Early in 1919 the municipal council of Krugersdorp precipitated a crisis by applying for and obtaining an injunction under the Gold Law restraining a European owner of property on proclaimed ground from leasing it to an Indian tailor. This success led to a general filing of applications for the eviction of Indians from proclaimed ground. The Indians, faced with ruin, petitioned Parliament for redress; and if they had not done so the

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Government would have been obliged itself to take steps to put an end to a palpable injustice. Parliament appointed a Select Committee to consider the petition, and added to the terms of reference, as it was indeed bound to do if the inquiry was to be of any value, "the alleged evasion by Indians" of the law of 1885.

The Select Committee of 1919

The Select Committee heard evidence from Indians, municipalities, Government officials and other interested persons. Prominent Indians appeared themselves and were also represented by counsel. The evidence is remarkable not for conflicting testimony from Europeans and Indians—on no material point was the European version of the facts disputed—but for the opposite angles from which the witnesses approached the subject. The important facts established by the inquiry may be summarised as follows. There has been in recent years a great increase in the number of Indian applications for new trading licences, as distinct from renewals of old licences. During the same period Indians have more and more, through the formation of limited companies, come to acquire fixed property for business purposes in urban areas. Since 1914, 71 new general dealers' licences have been issued to Indians on the Witwatersrand and 18 new trading licences have been obtained by Indians in Krugersdorp alone, out of 78 applications made, half of which were by persons not previously resident in the municipal area. Again, whereas in 1913 only 3 limited companies with exclusively Indian shareholders were registered, the number gradually rose to 111 in 1918, and at the time of the inquiry (May, 1919) there were 370 of these companies with a nominal capital of £480,000. On the East Rand, where Indian traders a few years ago were practically unknown, they have now settled and bought up in some towns large blocks of property in central positions. This process has several

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effects. It leads in the first place to the progressive displacement and ruin of European firms which are unable to compete with the Indian. The overhead charges of an Indian business are on the average one-third of those of a European. The Indian lives vastly more cheaply, he pays his assistants much less, his whole standard of living is lower. In Krugersdorp—a small town of 12,000 inhabitants—two of the largest European firms have in recent years been driven into bankruptcy by Indian competition and their premises acquired by their Indian rivals. The number of European grocers in the town has sunk to four, that of Indian grocers has increased to twenty-seven. The same process can be observed all over the Transvaal. Apart from this, the Indian with his family and his assistants lives as a rule in a room at the back of his shop or in tin shanties in his yard. The conditions are unwholesome and insanitary and a menace to his neighbours. The spread of Indian ownership of property in a town invariably depreciates the value of all surrounding property to the detriment both of the owners and of the local authority. Having regard to these facts, European witnesses urged that restrictions on the development of Indian trading had become an economic necessity, and could be imposed without any breach of the undertaking to respect “vested rights” which was given to Mr. Gandhi in 1914.

The Indians and their counsel, in giving evidence, avoided arguments on economics. They contended that the only point at issue was one of status—their status in the South African Commonwealth. They would never be content with a legal status lower than that of a European. They maintained that “the time had arrived not to speak of vested rights.” They considered that “they were entitled, as far as their trade, residence and occupation were concerned, to the full rights of any citizen of South Africa.” Amongst those rights was “an inherent right to trade”; and that inherent right even in a child yet unborn was one of those “vested rights” which the Government

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undertook in 1914 to safeguard. At this stage the argument was dangerously near pure casuistry ; but the witnesses raised it to a higher plane. They said in effect this :

We would remind you that we have never accepted the laws restricting our rights of residence, trade, and ownership of land. We have not ceased to protest that those laws are unjust and in the long run untenable. We have, therefore, not hesitated to evade them—if, indeed, a way recognised as legal round a law is to be treated as an evasion of it. And those evasions have had at least the negative sanction of being allowed to continue. Why should you not now put an end to them by repealing laws which have never been effective ? You will reply that you fear to see the European trader ousted by the Indian. Admitting that your fears are warranted, who would benefit more than the poorer members of the white population ? Ask yourselves why Indian businesses flourish to-day. Because Europeans are their best customers. If you are determined to preserve the European trader, the remedy lies in your own hands. You need only boycott the Indian to ruin him. Are you prepared for that ? Is it just that you should do it ? We are British subjects, loyal servants of the Crown. What is this European trader, whose spectre you raise to frighten us ? He may be Greek or Dalmatian, Russian or German, Jew or Gentile, but he is rarely an Englishman. Indians have fought as your equals in the war, they have won a seat by your side in the Imperial Conference and in the League of Nations. If these things are not sufficient, in Mr. Gandhi's phrase, to enlighten public opinion, can anything ever be sufficient ? Surely the time has come for you to make a new beginning, to abandon the old policy of restriction, and to admit Indians as equals to the rights and duties of citizenship.

No one can deny the logic or the force of this appeal. It recognises frankly that there are only two possible policies—to attempt to make restrictions really effective or to withdraw them altogether. The one involves in a sense, but a limited sense, injustice to the Indians ; the other threatens permanent and irremediable injustice to the white race in South Africa. The Select Committee and the Union Parliament, with practical unanimity, chose what appeared to them the lesser evil and they enacted the Asiatics Trading and Land Act. The effect of that Act is

- (i) that in mining areas no *new* trading licences can be issued

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to Indians after May 1, 1919, except in respect of a business for which a licence was held by an Indian prior to that date ;

(ii) that in non-mining areas in the Transvaal an Indian applying for a new trading licence will be in the same position as before the passing of the Act ;

(iii) that after May 1, 1919 it will be impossible for an Indian to evade the law prohibiting him from owning fixed property in the Transvaal, either by forming a limited company or by becoming the mortgagee of a nominal European owner.

It is important to emphasise that there is nothing in these provisions inconsistent with the settlement of 1914. "Vested rights" are preserved in the widest interpretation of that term, in an interpretation far wider than that suggested by Mr. Gandhi in 1914. Nothing in the Act involves the reduction in number of Indian businesses either now or at any time in the future ; nothing in it prevents any Indian or his successors in law or in title from owning or occupying any property wherever situated which he now owns or occupies. Any injustice to Indians which the Act involves lies in the fundamental conflict between the interests of the Indians and of the Europeans in the Union, as each conceives them. The Act was not the work of extremists and it was not due to popular clamour. It was supported by moderate and fair-minded men on both sides of the House for the reason given by Mr. Patrick Duncan, that "it was necessary in the interests of the white population." It is safe to assert that if Mr. Montagu and the Government of India had formed the Government of the day in the Union, with the same responsibilities to the same electorate, they would have legislated on similar lines.

A Social and Economic Problem

For the problem, as it must appear to all South Africans, is essentially social and economic. Colour prejudice against Asiatics counts for very little, for much less to-day than before the war. A few years ago Indians were struggling

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for the right to occupy seats specially reserved at one end of the Johannesburg tram-cars. To-day they board tram-cars freely and occupy seats by the side of Europeans without protest. The average South African gladly recognises the part played by India in the war. Many thousands of South Africans served with Indian troops in East Africa and Egypt, and learnt to admire and respect them. But they do not admit that the achievements of India during the war, or the new rank which she has justly acquired in the counsels of the Empire and of the League of Nations, can have any bearing on an economic problem in the Transvaal. The white race in South Africa is fighting for the maintenance of a European standard of living against the inroads of a vastly superior native and coloured population. Every step which tends to the displacement of a European with his standard by a coloured man with a lower standard is a step backward. It does not follow, because some Europeans trade with Indians for the sake of economy, that no restrictions should be placed on such trading. The fact that people are found who will buy clothing made with sweated labour is no justification for the extension of sweating. Cheap living ceases to be a good if it is attained at the cost of a lower standard of living. It is the example of this truism which they see in older communities such as Capetown that has made the Europeans of the Transvaal determined to resist the influx of a large coloured population into their towns. In the poorer quarters of Capetown for generations Europeans, half-castes, Indians and Malays have lived side by side. Coloured artisans of all grades of skill compete in every trade with Europeans. The result is race-mixture, a general depression of the standard of skill in skilled trades, low wages and wretched housing conditions. It is difficult in England to appreciate what Asiatic competition and the acquisition and occupation of property in the centre of a town mean in the Transvaal. Here economic causes provide the safeguards which are there being sought in legislation. The proprietor of a

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restaurant in Piccadilly can afford to regard with equanimity the existence of a fried-fish shop in Shoreditch. Here a low standard of living is a result of poverty ; in the Asiatic trader it has nothing to do with poverty and may well go with comparative wealth. If by some process the rents of half the buildings in Piccadilly fell within the reach of persons accustomed to the dirt and overcrowding, to the wretched and unwholesome life of Shoreditch, the danger with which the municipalities of the Transvaal are confronted would be more easily appreciated.

The future of the white race in South Africa is still obscure. It depends on the ability of the country within the next few generations to absorb a white immigrant population large enough to counteract the pressure of the coloured races. There has been in the past, all things considered, singularly little race-mixture, and the two dominant causes of such race-mixture as there is were slavery, which was abolished ninety years ago, and a low standard of living amongst Europeans. In order to maintain white standards during the critical years ahead, artificial restrictions on the economic liberty of the coloured races seem inevitable. In the long run they must prove untenable. White immigration alone can be the ultimate salvation of the white race. To-day it is idle to expect the white population to assist in its own destruction by giving free play to the forces which would undermine it. The position of the Indians is not unique. The problem of the place they are to occupy in the South African State is not dissimilar from that of the coloured population, *i.e.*, the half-castes. These people are for the most part settled in the Cape Province. Very many of them work on the land, where they are invaluable, and their status is assured. They have not hitherto shown any inclination to engage in trade, but many thousands of them work as artisans. The younger and more highly skilled men are attracted by the higher wage scale to the Transvaal. There they find themselves in another world. Where there is no statutory bar

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on their employment, they are faced by the hostility of the white artisan. The Trade Union, if like the Amalgamated Society of Engineers it adopts the only rational attitude of admitting coloured members and insisting on their being paid the same wages as Europeans with like qualifications, offers a means of raising the coloured man to the European standard of life. There is no Trade Union of general dealers to perform a similar service for the Indian trader.

To complete the statement of the problem it is necessary to add that Indian competition in trade is not confined to the Transvaal. The fact that the recent inquiry, and the Asiatics Trading and Land Act which followed it, relate solely to that Province has tended to obscure similar difficulties which have become increasingly conspicuous in Natal and in the Cape Province. In the last few years there has been constant litigation over the refusal of licences to Indians in those Provinces, and the decisions have shown that, so far as the right of appeal from a local licensing authority to some independent tribunal is concerned, the Indian either in Natal or in the Cape is on the whole less favourably situated than his compatriot in the Transvaal. In the high-veld districts of Northern Natal, where the dominant industries are coal-mining, cattle-farming and the cultivation of maize, and in towns in those districts such as Pietermaritzburg, Ladysmith and Dundee, the competition of the Indian trader presses no less heavily on the European than in the Witwatersrand area itself. The results are identical—bankruptcy of European firms, their displacement in the same premises by Indians, and depreciation of urban property. In the coast districts of Natal, which include the large town of Durban, the conflict of interests is rarely heard of. The climate and environment of those districts offer the Indian a choice of many suitable occupations besides trading; and the large Indian population on plantations and in the towns provides a demand adequate for such Indian businesses as are found. In the Cape the spread of Indian trading is noticeable

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particularly in towns such as Cape Town and Port Elizabeth. There are now few meetings of the Cape Town City Council at which a long list of Indian applications for licences is not presented and publicly debated with much unseemly acrimony. Neither in Natal nor in the Cape is there any statutory bar to the acquisition of fixed property by Asiatics; and the fact that in both Provinces they possess the municipal franchise on the same basis as Europeans has not failed to procure them advocates in strange quarters.

Repatriation

These, then, are the elements of the problem. It would be idle to pretend that restrictive legislation alone can offer any solution. An endeavour has been made in this article to show that the removal of all restrictions would be no more satisfactory as a remedy. In what direction are we to seek a settlement? The repatriation of the Indians now resident in the Union has been frequently mentioned, but never seriously examined as a practical policy. It obviously presents many difficulties. A large number of the Indians in the Union know no patria except South Africa. They are bound by family and business ties to older men born in India. Repatriation not preceded by expropriation would be a flagrant injustice; but could the Indian population, or any considerable section of them, be expropriated except at a prohibitive cost? No answer can be given to this question without a full inquiry. In any case, if expropriation were found to be a practicable policy, it could only be carried out by a gradual process. A large Indian population would remain in South Africa for many years, and it would hardly be possible or expedient ever to remove all the Indians from Natal. As long as any Indians remain in South Africa, they have a claim to positive justice from the Government of the country. In the negative justice of discouraging all views and practices

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tinged with passion or prejudice, and of respecting vested rights, neither the Government nor the Parliament of the Union has been wanting. But this is surely not enough. If Indians by their standard of living endanger the white population, they should be encouraged and assisted to raise that standard. If the number of them who are to be allowed to trade is to be permanently restricted, fresh avenues of employment must be opened to them. The Indian standard of life can be raised by two necessary measures—the provision of suitable housing accommodation and proper facilities for education. The housing arrangements in towns such as Johannesburg for natives, coloured persons, and Asiatics have for long been proclaimed by all decent-minded persons familiar with them to be a public scandal; and where a municipality fails so completely to perform one of its first functions, the time is ripe for Government interference. It should no longer be left for Indians, as it has been in the past, to provide for the education of their children, mainly or entirely from their own resources. It is admittedly not easy to divert the energies of the Indian in South Africa from the lucrative occupation of a trader. But the difficulty is not due to any lack of ability on his part. He has successfully cultivated other fields in Natal, and a well-directed scheme of training and of Government assistance would enable him to do so in other parts of the country.

There can be no hope of a permanent settlement of the Indian problem in the Union except by the co-operation of the South African Government, the Government of India, and the Indians themselves. The two Governments can influence public opinion in their respective countries, but are in the last resort its servants. It is unfortunately true that the Indians in South Africa have often been their own worst enemies, and have by their action made concessions by either Government or wholehearted co-operation between them very difficult. They have placed too much reliance in ceaseless agitation, in the enumeration

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of grievances, often exaggerated or based on distortion of facts, in playing off their friends in India against their foes at home. Since Mr. Gandhi's departure they have suffered much through want of a leader. With all the fierce determination of his passive resistance struggle, Mr. Gandhi was a very patient and wise guide to his countrymen in South Africa. Having secured their fundamental liberties he was content to leave much to time. It is significant that in his last public speech in the Union he spoke of Indian trade, of licences, and of land-ownership and confessed that "they raised difficulties of which he himself had never been able to find any satisfactory solution."

III. THE SOUTHERN RHODESIA COMMISSION.

A MATTER of great interest to all connected with Southern Rhodesia is the inquiry now being conducted by a Commission, under the chairmanship of Lord Cave, into the past expenditure by the British South Africa Company on the occupation, government, development and defence of the territory.

It will be recollected that as long ago as the beginning of 1914 Mr. (now Lord) Harcourt, then Colonial Secretary, decided that a long-standing dispute as to the ownership of what are known as the "unalienated lands" of Southern Rhodesia must be definitely determined. The lands in question were all those that had not been granted away to settlers or reserved for the exclusive benefit of the natives, and amounted in all to the huge area of some fifty million acres. For some years it had been contended by many of the white settlers in Southern Rhodesia that these lands were held by the Company, so to say, "in trust for the people," that the proceeds derived from them ought to be used for administrative purposes only, and that upon any other Government of the territory succeeding that of the

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Company the lands and the proceeds of them would automatically accrue to such Government. The Company on its side contended that the right of ownership of the surface of the land, like that of the minerals beneath it, formed part of the assets of its shareholders, to the profits of which they were entitled to look to reward them for their vast and hitherto unremunerative expenditure on acquiring, in the face of foreign rivals, defending, and redeeming from barbarism and colonising with a progressive white population, a not unimportant province of the Empire. The Crown had for long maintained a neutral attitude in this controversy, but finally, in anticipation of the date, October 29, 1914, when (the first 25 years of the Company's existence having terminated) it would be open to the Colonial Office under the Company's Charter to make fresh arrangements for the government of Rhodesia, submitted the question at issue by "special reference" to the Judicial Committee of the Privy Council. The Crown also now for the first time claimed that it was itself the owner of the unalienated lands. The proceedings were protracted; the legal argument long and interesting. Finally, in July, 1918, the Judicial Committee delivered its report, which was to the effect that the Crown owned the land, but that the land remained charged as security for the repayment of the Company's out-of-pocket expenditure on the discharge of its duties of government; that, so long as the Company continued to govern, it could continue to dispose of the land and to apply the proceeds to making repayment to itself; and that, if and when an end were put to the Company's government, it would have the right to look to the Crown to secure to it "the due reimbursement of any outstanding balance of aggregated advances made by it for necessary and proper expenditure upon the administration of Southern Rhodesia."

In the light of this report it evidently became a matter of great importance to determine authoritatively what was the amount of the "aggregated advances." Not only was

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it obviously right that the Company should know at once what its true financial position was : there were urgent reasons connected with local politics why all remaining doubts and uncertainties should be cleared away. While it is generally admitted among the settlers in Southern Rhodesia that the ultimate destiny of the territory is to form part of the Union of South Africa, opinion is much divided as to the course to be pursued in the immediate future. There is a section which holds that, whatever the theoretical objections may be to government by a commercial company, the existing regime has in practice provided good government, that any political change at present would be premature, and that the territory might easily go further and fare worse. Another section advocates immediate inclusion in the Union of South Africa. A third, and at least at one time the most vocal section, demands the immediate grant of such full Parliamentary institutions as would place Southern Rhodesia on the constitutional level of New Zealand or Newfoundland. In reply to representations on this subject, Lord Milner publicly indicated last August that, apart from the obvious difficulties in the way of "Dominion self-government" for Southern Rhodesia arising out of the small size of the white population as compared with the black, the local community would be expected, if local autonomy were to be granted to it, to shoulder at any rate a considerable part of the burden of reimbursing the Company for its out-of-pocket expenditure upon administration. It was therefore obvious that, if the amount of that expenditure were determined to be anything like what the Company claimed, responsible government for Southern Rhodesia alone was out of the question ; for the Company were claiming a sum of between seven and eight millions sterling, with, in addition, interest on the various sums, making up this total as from the date of their disbursement. Thus the amount found to be due to the Company might have an important bearing on the political future of Southern Rhodesia.

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In these circumstances Lord Milner, as Secretary of State for the Colonies, acted in a manner at once equitable and prompt. With the prior concurrence of the Company he appointed a Commission consisting of Lord Cave (late Home Secretary, and now a Lord of Appeal) as Chairman, Lord Chalmers (late Secretary to the Treasury), and Sir William Peat (the head of an eminent firm of chartered accountants) to determine finally, in the light of the Report of the Judicial Committee of the Privy Council, the sum due from the Crown to the Company as at March 31, 1918, the date of the Company's latest balance sheet; the Crown and the Company alike binding themselves in advance to abide by the Commission's findings whatever they might be.

This Commission held its first sitting in London last July. In August it travelled out to Rhodesia, where it held seven public sittings to hear argument between the Company and the representatives of the local community on all points on which the latter desired to contest the Company's claims. The argument did not lack interest, for there is more than one point on which the meaning of the Privy Council's report is in dispute, and where the interpretation of the report, since the sum to be awarded to the Company in large measure depends upon it, falls within the terms of reference to the Commission. For example, the whole history of the suppression of the Matabele and Mashona rebellions of 1896 and 1897, the cost of which amounted to some 2½ millions sterling, has come under review, the Company claiming and its opponents disputing that this expenditure was, in the circumstances of the time when it was incurred, "necessary and proper" within the meaning of the report. The Commission therefore has had more to do than merely to examine old books of account and vouchers, though this task also it has performed with a thoroughness and particularity which would have been impossible for it had it not paid its personal visit to Rhodesia.

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It has now returned to London in order to give the Attorney-General the opportunity of arguing on behalf of the Crown the points of law above mentioned arising out of the report. At the time of writing its sittings are not yet concluded, and it would be useless as well as improper to attempt to anticipate its findings. But the conjecture may be hazarded that the sum which will be found to be due to the Company will not be so small that a community in the position of that of Southern Rhodesia will be able to burden itself with any very considerable part of it in the shape of a public debt. If that is so, separate local responsible government for Southern Rhodesia is not likely to be found within the sphere of practical politics. The next elections for the Legislative Council of the territory are, it is believed, to be held in April. It would seem that the choice before the electors then will lie, as in reality it has always lain since the Union of South Africa was formed in 1910, between continuance of the British South Africa Company's administration and incorporation in the Union of South Africa ; and that that choice will be largely influenced by the developments of Union politics—by the prospects on the one hand of genuine co-operation between all those, whether British or Dutch, who mean to keep for South Africa her place within the British Empire, or, on the other hand, by the prospects of national disintegration and racial strife.

London. January, 1920.

NEW ZEALAND

I. THE MANDATE FOR SAMOA

IN accordance with the request of the Imperial Government, both Houses on September 2 assented by resolutions to the ratification by the Crown of the Treaty of Peace with Germany. Under that Treaty New Zealand is to exercise the powers of mandatory in respect of Western Samoa (Savaii and Upolu), but since the Treaty does not come into effect until its proclamation, which has not yet been made, the New Zealand Parliament has no authority to legislate directly for Samoa. In order that suitable provision may be made for the civil government of the Islands if the Treaty be proclaimed and the complete mandate issued before the next session of Parliament, the Government was advised to introduce the Treaties of Peace Bill on October 14.

This Bill approves of the acceptance of the mandate for Samoa and gives power to the Governor-General in Council to exercise the jurisdiction conferred by the mandate as soon as the Peace Treaty becomes effective. It is to remain in force for twelve months only, by which time it is hoped Parliament itself may be able to enact the necessary measures. The Bill as a whole met with no opposition, and passed its final reading in the Legislative Council on October 23. Expression was freely given to the views reported in our September issue (pp. 818-9), but it was recognised that there was now no alternative but to acquiesce in the settlement provided for by the Treaty.

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On November 3 the Government circulated among members of the House the draft of the proposed Order in Council to be issued at the appropriate time as authorised by the Bill. At the head of the Samoan Government there is to be an Administrator, with a deputy, who shall have power, acting with the advice and consent of the Legislative Council of Western Samoa, to make laws for the territory not repugnant to the Order or to any New Zealand or Imperial Act in force in the territory. The Legislative Council is to consist of at least four official members and a number of unofficial members not exceeding that of the official class, all to be nominated by the Governor-General. There is nothing to prevent Samoan natives from being appointed to the Council, and it is intended to carry on the present practice of appointing certain native chiefs to form another body to advise the Administrator and Council in regard to native affairs. The Samoan Public Service is generally to be regarded as a part of the New Zealand Public Service. Provision is made for public health, and the public school system of New Zealand is to be maintained. The New Zealand customs tariff is not to apply to Samoa, the duties being fixed by the Governor-General in Council. A criminal code is included similar to that of the Cook Islands, and there is to be a full judicial system with a High Court, with appeal to the Supreme Court of New Zealand. Other parts of the Order are designed to carry into effect the will of the League of Nations in regard to arms and intoxicating liquors. There are clauses safeguarding native titles to land, vesting the property of the German Government in the Crown, and establishing the currency of New Zealand as the legal medium of exchange. Indentured labour is not mentioned in the Order, but the Government has promised that until Parliament meets again the present number of indentured labourers shall not be increased. According to Sir James Allen, who introduced the Bill, Samoa will not be a British possession, nor a protectorate. "His Majesty will, however, undoubtedly have jurisdiction over

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Samoa within the meaning of the Imperial Foreign Jurisdiction Act, and the necessary authority to enable the New Zealand Parliament to make laws for the peace, order and good government of that territory on behalf of His Majesty will be conferred by an Imperial Order in Council under the Foreign Jurisdiction Act."

The admission of New Zealand to the Peace Conference and the League of Nations and the issue of the Samoan mandate raise questions of vital importance in the constitutional law and custom of the Empire. Even the men responsible for these developments do not clearly see the important implications involved in their action, and, when pressed for a statement of the consequences as regards the legal status of the Dominion in relation to the rest of the Empire and also to foreign States, give answers that, on close examination, yield only inconsistencies and irrelevancies. During the debate on the Treaties of Peace Bill Mr. W. Downie Stewart asked the Prime Minister to say whether the delegates to the Peace Conference had given any consideration to these questions, "because," he proceeded—

When New Zealand signed the Peace Treaty, unless it be that she was asked to sign it merely as a compliment to her, she took upon herself the status of a Power involving herself in all the rights and obligations of one of the signatories of the Treaty. That means that she may have created for herself a new status altogether in the world of foreign affairs, and instead of being an act, as popularly supposed, to bring together more closely the component parts of the Empire, it may be that it was really the first and most serious step towards obtaining our independence and treating ourselves as a sovereign Power. If that is so, a most anomalous position arises, because you cannot have citizens in a Dominion like this owing loyalty and duty to two separate sovereign Powers. There never has been any such case, and it is illogical to suppose that a citizen can owe allegiance to Great Britain and at the same time owe a separate and equally authoritative allegiance to his own Dominion Government. The way the question will arise in practical politics is this: When it comes to a question of carrying out the terms of this Treaty, in reference either to Samoa or any of the other mandates, we want to know what our position is with foreign Powers if they

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say to us, "We treat you as a sovereign State. You made peace on your own initiative and by your own act; and we look to you in the future, whenever a question of internal affairs arises, to act as an independent Power, making peace or war on your own initiative." One can see at once that it gives rise to an immense change in the British Constitution, and it may give rise to the greatest conflict between the different component parts of the Empire. Assuming that in reference to Samoa we get into conflict with some Eastern Power, and that our view does not coincide with that of South Africa or Canada, or with that of the Imperial Government, does it mean that we by the act of signing this Treaty have assumed to ourselves sovereign power to make peace or war? I cannot conceive that such an intention was in the minds of the delegates to the Conference, but from the point of view of constitutional lawyers that is the logical result of the action they took.

As a writer in *The Evening Post* (October 20) points out, "the real value of the searching questions put by Mr. Stewart is not as posers for the constitutional lawyer, but as practical tests for the calculation of consequences and the guidance of statesmanship." This writer goes on to say:—

The gist of Mr. Massey's reply—viz., that the Dominions had signed the Treaty "not as independent nations in the ordinary sense, but as nations within the Empire or partners in the Empire"—was no explanation of the difficulty, but only a restatement of it, and a restatement "which by its very terms rather emphasises than extenuates the difficulty. . . ." Mr. Massey makes the confusion a little worse confounded when he adds that "the change that has taken place in the British Constitution did not date from the signing of the Treaty, but from the time when the representatives of New Zealand were first called to the Councils of the Empire." As a matter of fact, the second development is so far from being the logical outcome of the first that the two are in direct conflict with one another. If the invitation of the Dominions to the Imperial War Cabinet was an effective call to the Councils of the Empire, and to a share in the control of its foreign policy, why do they need to be represented separately and independently of the Empire on an international tribunal? A logical answer to the contention of Senator Johnson and his friends that the British Empire was being given six votes in the League of Nations is not easy to devise. But a much more practically serious difficulty is that the Empire may tend to have six voices on Imperial Policy instead of one, and may overlook the call to an effective unity until it is too late.

The Mandate for Samoa

In regard to Samoa, the main articles of the draft mandate as read by Mr. Massey to the House on September 2 would at first sight appear clear enough. For convenience of reference we quote them in full :—

Germany having by Article 119 of the Peace Treaty signed at Versailles on the 28th June, 1919, renounced all her rights to Samoa, the principal Allied and Associated Powers confer upon New Zealand a mandate to govern Samoa. New Zealand accepts the mandate thus conferred upon it, and will execute the same on behalf of the League of Nations and in accordance with the following provisions :—

Article I.—New Zealand shall have full power of administration and legislation over Samoa as an integral portion of New Zealand, and may apply the law of New Zealand to Samoa, subject to such local modifications as circumstances may require. New Zealand undertakes by all means in its power to promote the material and moral well-being and the social progress of the inhabitants of Samoa.

Article II.—New Zealand undertakes that the slave trade shall be prohibited and that no forced labour shall be permitted except for essential public works and services, and then only for adequate remuneration. It further undertakes that the traffic in arms and ammunition shall be controlled in accordance with the principles contained in the Brussels Act, 1890, or any Convention amending the same. The supply of intoxicating spirits and beverages to the natives of the territory shall be prohibited.

Article III.—The military training of the natives otherwise than for purposes of internal police and the local defence of the territory shall be prohibited. Furthermore, no military or naval base shall be established or fortifications erected in the territory.

It would therefore seem, as Sir James Allen said on October 17, that “Great Britain has no immediate power over Samoa except as one of the members of the League of Nations.” But, if this be so, why should there be the necessity to resort to the Foreign Jurisdiction Act of the Imperial Parliament and Orders in Council issued under its authority? How is New Zealand, as it occurs in the draft mandate, to be interpreted? Does it mean the Crown and the General Assembly and Executive Council of New Zealand acting independently of the Crown-in-Parliament and Crown-in-Council of the United Kingdom

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or the Government of New Zealand as hitherto limited by the Royal veto exercised on the advice of the Government of the United Kingdom ? It is to be hoped that the complete mandate may throw a clearer light on these points, which are no less than vital to the issue of separation or closer union of the partner-nations with the Empire.

Whilst there were some references to our duty to raise the Samoan people in the scale of civilisation and to the good that might be expected from added responsibilities widening the outlook, increasing the tolerance, and stimulating the interest in foreign affairs of the New Zealand electorate, the debates showed that the chief interest of our politicians lies in commercial advantages expected to follow from our closer relations with Samoa. It was made clear that any financial loss in the government of Samoa must be borne by New Zealand. The party leaders agreed that the Samoan natives should be represented in the Parliament of New Zealand as the Maoris are, though it was objected that Samoan affairs might become a matter of party discussion and divisions, and that the fate of a New Zealand Ministry might be decided on the vote of a single Samoan member of the Parliament.

The subject of indentured labour in Samoa is a thorny one. In order to work the plantations it has hitherto been thought necessary to import labourers from China and the Solomon Islands under strict regulations. These have been approved by the Government of China, which has its Consul resident in the islands to safeguard the rights of the labourers. The New Zealand Government holds that if we are to maintain the islands in their present state of cultivation, we must get labour from outside, and it supports this opinion by reference to the advice of the present administrator, who went to Samoa earnest in the desire to do away with imported coloured labourers if it were at all possible. The Labour Party, viewing the system as a species of slavery, has announced its intention to fight it to the last ditch ; and several other members of the House,

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as well as many candidates at the elections, are opposed to it as a general and permanent institution. The social evils that accompany the system wherever it brings into contact two or more coloured races of different standards of civilisation outweigh, in the opinion of many, any economic advantages it may have. It should appear well worth while, before extending the application of the system to Samoa, to attempt once more, in the light of the rich accumulation of modern knowledge of the psychology of primitive peoples, to devise an effective system of training the native Samoan to habits of sustained industrial work voluntarily undertaken. But a more deeply based objection to the indentured system was expressed by Mr. Ngata, member for the Eastern Maori District—namely, one that struck at its main assumption that an increase of wealth derived from the islands necessarily means an increase in general well-being. Mr. Ngata agreed that New Zealand is the country that is best equipped for the management of Polynesian affairs

No country (he said, in the course of a truly memorable statement) has the proud record that this country has had in its connection with the most active of the native races inhabiting Polynesia. But he would not like to bring into contact with any branch of Polynesians "the class of labour which is most amenable to indenture." I am (he said) only applying my own knowledge and experience of Maoris in New Zealand; but it seems to me that if sufficient trade is got from Samoa to pay the expenses of administration, and that we are considering in the first place primarily the benefit, comfort and happiness of the Samoans, that possibly it may be wise not to stress too much the matter of profit and trade so far as this new territory is concerned. We might try an experiment in one of the last seats of romance in the Pacific—the experiment of merely bringing up a happy and comfortable people without introducing unduly the element of competition and trade. I do not know whether we can manage that and at the same time make the administration pay. . . . Which is to be the chief policy at Samoa, a good balance sheet, continually increasing, or the happiness of the Samoans? According to honourable gentlemen, they seem to be the only people Nature has designed to live there. The European, I understand, cannot work there on account of the heat. He goes and resides there like

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Stevenson, because it is a romantic place. In order to develop the resources of the country you want to use Indians and Chinamen. I do not want to use a harsh term, but it seems to me that the class of labour required constitutes refuse. Are you going to introduce refuse into beautiful Samoa in order to export more rubber and cocoanuts?

For the present the majority of the people in New Zealand who have thought about the matter have, as the *New Zealand Times* says, accepted the necessity of indentured labour, but are anxious that there shall be no room for the abuses that so easily develop in connection with it. But the adequacy of the evidence tending to prove necessity is open to doubt, and the safeguards against the concomitant evils have as yet received little close attention.

II. NAURU AND OTHER EXTERNAL AFFAIRS

AS the primary industries of New Zealand require an abundant supply of phosphates (about half a million a year is at present spent on them), Mr. Massey made a strong claim on behalf of the Dominion to the small island of Nauru (just south of the Equator, 167° east, and about 2,250 miles from Auckland), which is extraordinarily rich in phosphates rock. The Australian delegates sought a mandate for the Commonwealth, but Mr. Massey urged Imperial control, with provision made for an adequate supply of phosphates to Great Britain, Australia and New Zealand. The Council of the Powers ultimately gave the mandate to the British Government. Mr. Hughes (Prime Minister of Australia) and Mr. Massey subsequently held several conferences, and arrived at an agreement (N.Z. Parl. Paper, 1919, h. 290) by which each of the three Governments is to obtain a share of the output of Nauru phosphates at a fixed price, to be determined by Commissioners appointed by the Governments.

Nauru and other External Affairs

The ratification of this agreement, the details of which, according to Mr. Massey, were suggested and negotiated mainly by Lord Milner, was assented to without division by resolution of both Houses during the recent session. The United Kingdom is to receive 42 per cent, Australia 42 per cent., and New Zealand 16 per cent. of the actual or estimated annual production, and the respective liabilities are in the same proportion. During the debates doubts were freely expressed as to the wisdom of the agreement in view of the fact that no sum could yet be fixed as the amount to be paid to purchase existing rights to the deposits, and of the possibility of obtaining cheaper supplies from other sources, since it is very probable that the price of the Nauru supply will be considerably higher than the pre-war prices of phosphates imported from other Pacific Islands. But the prices of all phosphates have risen in the interval, and the Nauru supply, estimated at 42 million tons, should, according to Mr. Massey, provide for the needs of the three signatories for at least 200 years. In view of the requirements of Samoa, it was pointed out that, at the first readjustment of shares, New Zealand should strive to obtain more than 16 per cent. The legislation to give full effect to the agreement may be passed only by the Imperial Parliament, since it is to the United Kingdom only that the mandate is given by the Powers, who will hold her directly responsible for its execution ; the part of the New Zealand Parliament is merely to ratify the agreement made with the Governments of the United Kingdom and of Australia.

The External Affairs Act, passed during the session, provides for a new Department, that of External Affairs under a Minister of External Affairs. This increased specialisation of the executive Government, already desirable in the interests of our dependency islands, was rendered necessary by the acceptance of the Samoan mandate. Since the Minister will have charge of external questions generally, responsibility for which has hitherto been divided amongst several Ministers—such as the administration of the Cook

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Islands, the Samoan mandate, questions arising out of our trade and immigration practice—the institution of the Department may ultimately do much to focus public attention on the necessity to think out and apply a clearly defined policy of our relations to the rest of the Empire and to foreign States. Sir James Allen, Minister of Defence, has been appointed our first Minister of External Affairs.

Questioned in the House on October 23 as to whether he would give Parliament an opportunity during the session of discussing the subject of sending a permanent “Imperial representative” to England, the Prime Minister gave little encouragement beyond stating his belief that “each of the Dominions will have to send a permanent representative to London in justice to themselves and in justice to the Empire to do what was practically agreed to at the Imperial Conference and Imperial War Cabinet.”

During the election some candidates have made references, more or less casual, to the desirability of State action to encourage immigration. Clearly New Zealand is as yet far from the “point of diminishing returns,” and the addition of several thousands of well-selected immigrants would greatly increase the *per capita* wealth of the country within a few years. The Prime Minister, speaking at Christchurch on November 25, asserted the need of immigration. Legislation this session, however, has been confined to increasing the restrictions on unsuitable immigration. The Undesirable Immigrants Exclusion Act imposes restrictions in addition to those operative under the Immigration Restriction Act of 1908. It consolidates and perpetuates certain powers that have been exercised under the War Regulations prohibiting the free entry into New Zealand of Germans and Austrians, giving power to deport unnaturalised alien enemies already in the country, and authorising the Attorney-General to prohibit the landing of non-residents who in his opinion are disaffected, disloyal, or dangerous. The only serious opposition to the measure came from the leaders of the Labour Party, who strongly

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protested against the last-mentioned power as tending to the exclusion of persons mainly because they held political, or religious, or economic beliefs contrary to those of the dominant party. The suggestion of the Leader of the Opposition on the second reading that the power should be vested not in one Minister, but in the Governor-General in Council, was not pressed, and the clause enabling the Attorney-General to prohibit the landing of undesirable persons was carried in Committee of the House by 45 to 4. Meanwhile, public opinion in the Auckland district is beginning to be agitated over the number of Hindus and Chinese settling there recently, and certain labour unions are now drawing the attention of the Government to the necessity of restricting such settlement.

III. THE GENERAL ELECTION : PARTIES AND PROGRAMMES

THE General Election will be held on December 17, within a day or two of the completion of this article. Any estimate of the political probabilities is in the circumstances more perilous than usual.* There are three parties in the field : Reform, which is in power, Liberal, and Labour. The following brief summaries of the policies of the several parties are based on their official "programmes."

The Prime Minister announced on October 11 the Government policy, the chief features of which are :—

(1) An immediate reform of the system of both direct and indirect taxation so as to make the incidence more equitable ; (2) the sympathetic treatment of returned soldiers and the establishment of a special board to consider cases of hardship ; (3) the development of the Dominion by new railways and roads and the utilisation of water power for electrical purposes ; (4) State assistance in marketing products by securing the best possible transport arrangements and the use of State ships if necessary ; (5) encouragement of industry by the use of our own raw material, the establishing of secondary industries, and a State subsidy for the assistance of the fishing industry in particular ; (6) the energetic settlement of Crown and

* The actual results will be found in a note at the end of this section.

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privately owned land, with special attention to swamp and arid areas at present undeveloped ; (7) increase of trade with the Pacific Islands ; (8) the strengthening of Imperial unity by a sound system of Imperial preference ; (9) an executive housing scheme, the limit of loans under the Advances to Workers Act and the Workers' Dwelling Acts to be increased to £800—at least £1,000,000 per annum to be provided for this purpose ; (10) fuller opportunity for young people in the education system and more encouragement to young men and young women to enter the teaching profession ; (11) increased State assistance to maternity patients ; (12) no reversion to political control in the Civil Service and more frequent regrading to bring the salaries of Government servants into line with the cost of living ; (13) amendment of the system of military training to provide that it shall not interfere unnecessarily with the industrial conditions of the country ; (14) a vigorous immigration policy, with substantial assistance to the citizens of the United Kingdom who desire to settle in New Zealand ; (15) a bonus to be added to the Old Age Pensions, this amount to be statutory and permanent ; (16) re-afforestation and planting of sand dunes so as to provide for the future requirements of the country ; (17) State encouragement of town planning enterprises by local authorities.

Mr. Massey concluded by referring to the proposed nationalisation of the coal mines, which is a plank of both Liberal and Labour platforms. He stated that, although he had an open mind on the question, he had not yet had a clear explanation of what nationalisation involved, even from its strongest advocates. He considered that any changes to be made should be by providing better living conditions for the miners and by giving them a consultative voice in the working and control of the mines. Mr. Massey concluded by saying that the Bolsheviks and I.W.W.'s would be his opponents, but that he did not want their support and would not hold office if he depended on them.

Sir Joseph Ward announced the policy of the Liberal Party in a statement which was issued contemporaneously with his resignation from the National Government on August 22 last. The main points in the policy are :—

(1) A State Bank ; (2) restriction of borrowing ; (3) nationalisation of the coal mines, payment to be made to the owners of the

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mines in Government Stock bearing interest at $5\frac{1}{2}$ per cent. or 6 per cent., but subject to taxation ; (4) development of secondary industries ; (5) State control of freezing works ; (6) nationalisation of flour mills, payment to be made to the owners as in the case of the coal mines ; (7) the sum of £4,000,000 to be provided for the building of new railways ; (8) the sum of £4,000,000 for the building of new roads and bridges ; (9) nationalisation of the ferry service between the North and South Islands ; (10) the establishment of hydro-electrical power schemes at a cost of £6,000,000 ; (11) a scheme of proportional representation ; (12) extended powers to the Board of Trade in order to reduce the cost of living ; (13) an extensive housing scheme at a cost of £4,000,000, and the erection of new educational buildings at a cost of £3,000,000.

The official policy of the Labour Party is uncompromisingly socialistic. The main features are :—

(1) Proportional representation, the initiative, the referendum, the abolition of the country quota, full civil rights to all public employees ; (2) all existing Crown lands to be added to the national endowment, Crown tenants to be absolutely entitled to improvements ; (3) a State Bank with sole right of note issue ; (4) State-owned shipping services ; (5) development of present State coal mines, factories, farms and industrial services ; (6) State control of all branches of insurance ; (7) extension of public ownership of industries involving the food supplies of the people : wherever national ownership of an industry established, at least half the Board of Control to be appointed by the Labour Union or Unions concerned ; (8) nationalisation of the medical service and the provision of free medical attendance ; (9) repeal of the Military Service Act with the establishing of a citizen army on a voluntary basis, with standard wage while on duty together with practical measures for the preservation of peace ; (10) increased taxation on unearned increments and on unimproved land values, and an increase in the graduated income tax ; (11) extensions of the pension system to cover all incapacitated citizens.

(In computing the population of New Zealand for electoral purposes an addition of 28 per cent. is made to the country population—*i.e.*, all persons living outside towns of 2,000 and over. This is the country quota.)

It is claimed on behalf of Mr. Massey's policy that it satisfies all the immediate needs of the country ; moreover, that it is practicable and that full effect can be given the whole of it during the life of the next Parliament.

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The Liberal policy, as enunciated by Sir Joseph Ward, is bolder or less modest (as the case may be) than that of Mr. Massey. It is claimed by the Liberals that the policy is progressive and in accord with the traditions of the Liberal Party. Critics, however, assert that it is financially impossible, that the execution of the public works contemplated by Sir Joseph Ward would require about five times as much labour as is employed on the whole of the public works of New Zealand at the present time, and that there are no able-bodied unemployed. Sir Joseph Ward claims that, given the opportunity, he can make good his promises.

The Labour policy is much the same as it was at the last election. The opponents of Labour fear not so much the Labour policy as the temperament of the Labour leaders. For instance, Mr. Bloodworth, the president of the Federation of Labour and a candidate for the Parnell seat, appealed on December 8 to the great middle class to support Labour. He said that if this support was withheld and the political hopes of the Labour Party destroyed, "Labour will express itself in some other way and the middle class will suffer most and longest." Observations of this kind by the official leaders of Labour naturally cause uneasiness amongst the community.

Were we to judge the influence of the war on public feeling and thought by the standard of the general features of political ideals and opinion current in this first post-war election, and by the general type of candidates for the post of representative of the people, we should have to lament the absence of any evidence of a real or vital change for the better. There are very few new candidates, no new parties, and the most insistent of the party cries appeal to as narrow and material interests as of old and pay even less heed to the more fundamental and lasting principles of economics, ethics, sociology, or statesmanship. Among the most striking features of the election campaign up to the present have been, first, the indifference of the bulk

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of the electors as to the result, and secondly, the uncertainty of the result. The apathy is explained by the absence from the political controversy of strong party differences upon any issue of the first importance. The Liberals and the Reformers are at the present time as two shades of one colour. No vital question divides them; all there is in dispute is the occupancy of the Treasury Benches. In these circumstances it is not surprising that the elector takes but a lukewarm interest in the whole matter. Both parties dilate on their past achievements and point to their political pedigree with pride. Partisan newspapers endeavour to whip up the old party feeling, but without success; the old battle cries and banners no longer inspire this generation. There has been a current of opinion setting steadily in favour of a fusion of the two larger parties. It is significant to find Reformers such as Mr. Statham and Mr. Downie Stewart on the one hand, and a staunch Liberal such as Mr. Cragie on the other, standing at this election as Independents. These candidates have taken up this position so as to be free to join any party which may crystallise after the election to resist the Labour Party should a substantial number of Labour candidates be returned to the next Parliament.

The division between the Liberals and the Reformers may be summarised as now being a matter of history, sentiment and fidelity to the two leaders. The sharp cleavage in the country itself is between those who desire the class war and those who do not, and it seems fairly certain that in the near future the parties will be divided along these deep and natural lines.

NOTE.—The final figures of the General Election in New Zealand show the following result :—

Reform	47
Liberals	19
Labour	8
Independent Reform	1
Independent Labour	5

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IV. THE GENERAL ECONOMIC SITUATION

THE Budget was presented to the House on September 23. Its chief feature is the great increases in the ordinary revenue and expenditure actual for the year ended March 31, 1919, and estimated for the current financial year. The expenditure as estimated for 1919-20 is nearly 50 per cent. more than it actually was in 1917-18, and nearly 100 per cent. more than in 1913-14. The ordinary revenue for the last financial year was 22·4 millions, an increase of 2·1 millions over that of the previous year. Of this amount Customs provided 3·8, income tax 6·2, railways 4·98, stamp and death duties 2·1, post and telegraph 1·96, and land tax 1·5 millions. The ordinary expenditure amounted to 18·7 millions, or 3·6 in excess of the previous year, the main items of increase being on account of interest and sinking fund on war loans, war and other pensions, charges arising out of the recent epidemic, and expenses of the trading departments due to large increases in the cost of materials and in wages. The surplus for the year was 3·7 millions, making a total accumulated surplus of nearly 15½ millions. The increase of nearly half a million in income tax receipts is due mainly to the increased incomes of taxpayers. The increase in customs receipts was due chiefly to the rise in the values (as distinct from the quantities) of the imports. According to the Budget, "there is clear evidence that the value of imported goods generally has appreciated all round by 70 per cent. since 1914." The public debt (debt of the General Government) was £176,260 at March 31st, but has drawn closer to the 200 million mark, or nearly £200 per head of population, since then. A sum of nearly 17 millions is invested as a reserve at call or short notice in London.

The direct cost of the war has been met altogether out of loans and is not included in the ordinary expenditure. It had amounted by June 30 last to over 66 millions (that

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is not including interest, sinking-fund, and pensions charges, which are included in the ordinary expenditure and paid out of ordinary revenue). At March 31 the annual liability for war pensions was 1·6 million, and the average pension £59. For the year beginning September 1, 1919, 30·3 millions are required to be raised by loan, of which nearly 10 millions were in hand when the Budget was delivered. Of this huge sum 29·3 millions are for soldiers (Expeditionary Force costs, gratuities and allowances, discharged soldiers' settlements), about half of which will yield interest to the Consolidated Fund. The 12½ millions to be devoted to discharged soldiers' settlement will be taken from the accumulated surplus. The total lodgments to and disbursements from the Public Account during 1918-19 were 72·4 and 74·2, as compared with 17·1 millions in each case in 1913-14. The estimated ordinary revenue for 1919-20 is 22·9 millions, and the estimated expenditure 22·4 millions. After seven months have elapsed, however, the Minister of Finance now expects to get half a million more revenue and to spend about half a million less than stated in the Budget. The tax rates remain substantially the same as last year. The Victory Loan of 10 millions placed on the market in September-October, was under-subscribed by 2 millions, and the Government is now arranging to make all those liable under the compulsory provisions of the law take their due share at the lower rate of interest. Taxpayers expected some relief from the high rates of taxation, but the Government cannot see its way to afford any reduction yet. If the programme of public works, State housing, and nationalisation of certain industries, as drawn up by political parties, is to be carried out, there is much greater probability of an increase in the rates of taxation than a decrease. On September 19 the Government laid before the House a statement of its intention to pay our soldiers on service a gratuity at the rate of 1s. 6d. a day, reckoned from the date of embarkation of the recipient to June 28, 1919,

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the date of the signing of peace. Over $5\frac{1}{2}$ millions is required for this purpose, and another half million for extra allowances proposed at the same time. The gratuity compares very favourably indeed with that granted in Canada. Sir Joseph Ward moved to refer the matter back to the Government for further consideration, being of opinion that the rate should be 2s., which would increase the cost to $8\frac{3}{4}$ millions. After a long debate, the Opposition motion was negatived by 37 to 30, and a proposal by a Labour member to raise the rate to 4s. was defeated by 37 to 5. The Government's action in this matter is undoubtedly supported by the bulk of public opinion, including that of the returned soldiers.

There is no doubt that the financial burden, heavy as it is, can be borne by the country and gradually lightened, if the production of the national income be increased and if its distribution be such as not to discourage the co-operation of land, labour, capital and organising and directing ability in the proportions requisite for the common welfare. The Prime Minister is sounding the call to increased productive effort in all his election speeches, and though Sir Joseph Ward's proposed methods of stimulating economic activities differ somewhat from the Prime Minister's, he also is fully alive to the sterner realities of the position. The prosperity due to the enormously increased prices of our staple products during the war, and to the inflated Government and private credits associated with the huge borrowing policy pursued during the last five years, has not been unattended by reactions upon character often unfavourable to the development of the habits of steady work and reasonable economy. The acting chairman of the Bank of New Zealand, speaking at the half-yearly meeting of the Bank on December 12th said :—

Speaking generally, evidences of prosperity are to be found everywhere. The people apparently have plenty of money to spend, and are spending it freely. Wholesale and retail traders admit that they are doing exceptionally well and making good

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profits. One cannot but be struck by the contrast between the conditions prevailing here and those in a large part of the civilised world which has been devastated by the greatest war of history, and where the populations of those stricken lands are absolutely destitute and on the verge of starvation ; and the thought not unnaturally arises to ask whether our happy condition can be regarded as sound and likely to be lasting. Sound it certainly is, and will be, so long as the country continues to produce to her utmost capacity ; and lasting it will be, if our resources of every kind are developed with energy and intelligence, so as adequately to be prepared to meet whatever contingencies may arise.

The prices of land, houses, shares in industrial and trading enterprises, in fact, of everything giving a business return, are unprecedentedly high and still rising. As in all times of rising prices, those in receipt of business profits are reaping large gains, since costs as yet lag behind the prices that can be paid by the public for the locally manufactured or imported goods. But those in receipt of incomes that are fixed or move but slowly are forced to reduce their standards of living. The index number of the prices of the common foodstuffs, weighed according to their relative importance in consumption, stood at October 31 50 per cent. higher than in July, 1914. The Government Statistician estimates that the cost of food, rent, fuel and light, combined in their relative importance in consumption, increased between the end of the first quarter of 1914 and the middle of 1919 by 34 per cent. New Zealand has, therefore, been less unfortunate in this respect than most other countries. But as foodstuffs have risen comparatively little, the increased money and credit available has been devoted largely to augment the demand for other goods ; and these, especially imported goods, have risen to a very high level and are still mounting upwards. That the high level of prices is due both to inflation of the currency and to diminished volume of trade or lessened supply of goods in general is suggested by an examination of the periodical banking returns of the Dominion and asserted in the two last Annual Reports of

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the Board of Trade. The note circulation is now threefold what it was in 1914, ordinary bank deposits are 50 per cent. more, and advances 60 per cent. The Board of Trade, in its Annual Report, 1919, after as exhaustive an investigation as the readily available data allow, says, comparing the years 1914 and 1918: "Thus, concurrently with a decrease in the volume of business on the one hand amounting to 9·2 per cent., there was on the other hand an increase of note circulation amounting to 214 per cent., and an increase in deposits subject to cheque of 80 per cent., and these changes in the relationship that exists between volume of business and currency (in its widest sense) found expression in a general rise of prices."

During the late session various measures were adopted mainly with the object of easing, directly or indirectly, the burden of high cost of living, and of staving off financial crisis. Unfortunately, in so far as they will affect the currency factor, they may tend to aggravate the evil rather than diminish it; but they are aimed mainly at an increase of production, and in so far as they achieve this object they will have a beneficial effect. Among them are the Acts (1) to encourage the settlement of soldiers and others on the land, and to facilitate the subdivision of large estates; (2) to revise the constitution and extend the powers of the Board of Trade so as to give it a much closer control over business organisation and policy and the fixation of prices, and to establish a separate Department of Industries and Commerce; and (3) to enable the State to provide houses for people of small means, either directly or indirectly through municipalities, employers, or associations of the public, including public servants. Then there is the appropriation of £600,000 for hydro-electric schemes, and of other large sums for reproductive public works.

There is no doubt that many of the high expectations based on some of these measures and on others now proposed (such as those for the nationalisation of several

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industries) will not be realised ; but the action of Parliament is evidence of the common desire to develop the resources of the country in the belief that it is in this direction that progress lies. If the means adopted fail, or only partially succeed, it will be due mainly to insufficient understanding of all the vital factors at work, a lack of comprehension due largely to grievous shortcomings in our system of education, especially on its civic, historical and economic side. This year, however, increased funds have been set aside for education in all its stages, though these are still inadequate to the real needs of the country, especially in respect of university education and scientific research, and the increased provision has had to be bludgeoned out of the Government.

A Parliamentary Committee on the industries of the country produced a voluminous Report and Minutes of Evidence (Parl. Papers, 1919, I 12), which has had the effect of stimulating public interest in economic policy, and may help to shape the programmes of parties in the near future. There has been an agitation among certain of the manufacturing classes for more protection in the shape of higher customs duties, but the Government has postponed consideration of any change in fiscal policy. The war, however, with its need of greater revenue, its sharpening of national prejudices, its temporary protection to local industries through the interruptions of foreign supplies, and consequent fostering of vested interests of considerable political force, has given new strength to the protectionist propaganda, and the tariff issue will be an important one in the new Parliament. Labour conditions remain good ; wages are being raised periodically ; there is little or no unemployment. But the cry of the high cost of living and of profiteering is louder than ever, and the blight of the go-slow policy still lies on the coal mining industry, in which relations between the unions and the companies threaten to rise to a crisis that may involve the whole field of industry.

New Zealand. December, 1919.

JOHN HUGH ALLEN OF THE GALLANT COMPANY *

Frater, ave atque vale

Mrs. Montgomery has produced a remarkable memoir of her brother, who was known to and beloved by many readers of this review. John Hugh Allen was the son of Sir James Allen, who, as Minister of Defence, was mainly responsible for maintaining the New Zealand contingents at the Front. The simple statement of that fact is the greatest compliment which can be paid to the ablest administrator ever produced by New Zealand.

His sister has skilfully left John Allen to tell the story of his life for himself in his letters, using her own pen merely to fill in the gaps. The result is a portrait of singular beauty, and also a document of historic value. Like the battle of Inkerman, the issue of the great war was in the main the achievement not of heaven-born leaders, but of average men. If future generations ask why nations so devoted to the arts of war as those of Central Europe were beaten at their own game by nations to whom those arts were abhorrent, they will find the true explanation in contemporary letters by men like John Allen. For in showing us her brother as he was, Mrs. Montgomery depicts for us a type of countless others who, because they hated war with all their hearts, secured victory in war for the countries they loved. Educated at the now famous school of Wanganui, created by the genius of Walter Empson, John Allen, in 1907, came to Jesus College, Cambridge, where his father had been before him. From his earliest days "Honest John," as his Cambridge friends called him, was inspired by a passion for politics and a never flagging resolve to excel as a public speaker. "I am feeling a little restless," he wrote in 1911, "and I shall remain so till I see my way to choose my work and to earn a decent wage. I often think of going out to New Zealand, making a way at the Bar, and going, as soon as I can propel myself, into the New Zealand

* A Memoir by his sister, Ina Montgomery. London. Edward Arnold, 1919.

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House. I am afraid I am rather ambitious, and I want my life to make a bit of a splash, even if, as is probable, it is of the very smallest description. I have got to a stage when it is not hard to gauge my abilities, and I believe them to be moderate and to require careful canvassing."

To read those words is to know John Allen in all his transparent sincerity. A humbler soul—that is to say, one more free from illusions about himself—never breathed. His modest estimate of his own gifts was coupled with a determination, never relaxed, and often reflected in these letters, to develop them to the best possible use. Without natural gifts as an orator, his tireless efforts to achieve the arts of a public speaker raised him to the well-deserved position of President of the Cambridge Union. Had he lived he would have succeeded in political life as he succeeded at Cambridge, merely by the stubbornness of his purpose to make the best of the powers he had.

The drama of the last decade is reflected in these pages. They will tell the future historian how young men in England lived and felt before the war suddenly burst upon them. There is here a picture of the clean, joyous English life led by boys bent on making the most of their opportunities. The last letter of this series, that written on July 7, 1914, is typical of the rest. No shadow of the tragedy which German atavism was preparing falls on these pages. In the next letter, dated August 15, the outbreak of war is simply mentioned. Ten days later he had joined the Inns of Court Officers Training Corps. On October 30 he writes, "The incredible (three months ago) has happened, and in me you now see a second-lieutenant of the 13th Battalion of the Worcestershire Regiment . . . Personally it has put out of reach all the things about which I cared most and for which I had worked hardest. *Do write!*" What a pathos there is in those italics! And then, with the same patience and persistence with which John Allen had striven to fit himself for the career he had chosen for himself, he now sets out to fit himself for the life which the call of duty had imposed upon him. Just because John was never meant for a soldier, and knew it, he obviously became the best kind of officer for a citizen army. He had such a wonderful gift of seeing the glory behind routine. "Don't think we live a thrilling life here. Much of our work is monotonous. I have lost all the pleasure I once had in shouting 'At the halt! On the left! Form platoon!' or in the novelty of being instantly obeyed and telling people to do things without saying 'please.' But there are occasions when it is all immense—to march out in front of your men and to hear behind you the wonderfully tuneful things they sing; to catch a glimpse of a soldier at church parade wholly absorbed over singing, 'Abide with Me'; and to think of the marvellous change in his

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life—the home at Bewdley or Worcester or Malvern or Bromwich ; the coming to him of the news of the great war, and of the actual moment in time when he determined to enlist.” And so, in telling his sister of the comrades he met at the musketry school on Hayling Island, he burst out, “Wonderful England, that breeds such a superb youth !” To one who came from a land so remote, his English friends can afford to be grateful for an outburst he can never have thought they would read. And then when at last, in May, 1915, John is picked out and ordered to the Front away from his men, he suddenly realises how he has come to love them. “The devilment of the situation is that I’m going to lose one moral support of incalculable value. So far as I can see, I’m going to lose my men. The men are to be kept on and only the officers are to go. This is simply heartrending. If I had the power to choose, I would rather wait and go out with them. You can’t break ties formed during eleven months of rain and shine without half breaking your heart. To change command at this moment will, I honestly believe, decrease the fighting value of all of us. I feel a seven-months old Ulysses :—

“ My mariners, ye that have fought and wrought with me,
Who ever with a (?)
Took the thunder and the sunshine and the rain.”

“And now we are going to take ‘the thunder and the sunshine and the rain’ alone.”

Then he tells his father how on Sunday afternoon the sergeant-major lured him into the billet, and, in defiance of King’s Regulations, the men presented him with a token of their respect. Just before leaving he paraded his men and addressed them. “I did all I could to make it unlike a speech, but perhaps for that reason it was perhaps the best speech I have ever made.” And to read the few great, simple commonplace things that he said to them is to feel that his speech could scarcely have been bettered. It is well that the scene remains on record—between the lines—the New Zealander’s love for his Englishmen, and theirs for him. That Allen was reserved for the ordeal of facing death without the men he knew and loved was also well, for the event proved that he was more than equal to it. On May 25 he landed in Gallipoli. On June 6, by exposing himself in the open, he rallied his men, who had been shelled out of a trench, and was killed in doing so.

In those twelve crowded days of almost incessant fighting John Allen found time to write nine amazing letters. In these few pages he condenses the horror, humour, heroism, chivalry and glory of those awful slopes of Gallipoli. The fire of battle seems to set every facet of human character ablaze, and these letters reflect them

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all. John Allen was no genius. The sovereign value of his letters is the picture they present of one amongst thousands of goodly youths, and how worthily they bore themselves "when called to face an awful moment to which heaven had joined great issues." Valour and virtue are not commodities. Their worth is not fixed by supply. Proved to be common, they keep their price. The glorious record of one young soldier is not dimmed by a multitude of others, nor yet by the thought of that far greater number of whose achievements no record remains. These letters are precious because they prove that there are no heights to which the average man may not rise if only, like John Allen, he spend his life painfully making the best of such faculties as he has. "That little political career of which I have dreamed almost since I was in pinafores—rising from the front bench in an excited house, winning the applause of a massed and militant meeting—well, I suppose it is more out of reach than ever; but I still dream of it." And no unworthy ambition either. John strove to achieve it with every faculty he had, and in the end achieved something vastly different, incomparably more heroic. He was not destined to win the applause of massed and militant meetings. Yet from age to age he will win the applause of young New Zealanders when they take this book down from their shelves.

And yet, when all is said and done, no genius by virtue of mere imagination could write anything of battles quite so thrilling and yet so convincing. John Buchan's description in *Mr. Standfast* of the fight for Amiens is perhaps the best work of the kind yet done in this war by a professional writer. Compared with Allen's letters, written, with one foot in the grave, of the things before his eyes, the best secondhand description of battle scenes tastes like flat beer. His terse, clear, nervous prose, packed with meaning, replete with observation, proves how a man may write who once forgets to think how he is writing. John Allen just wrote to make the tremendous things he saw round him visible to his friends before he died, and succeeded beyond imagination. We believe that these letters will survive, in New Zealand, at any rate, so long as printing remains an art.

One week before his death he wrote, "I shall never be quite happy until I have written a book." That ambition, at least, was already achieved; and, thanks to a labour of love, the results are before us. But what a different book from any which in years gone by John Allen could have imagined himself as likely to write!

It is a pity to spoil these last letters by mere quotation. They cover some twenty-four pages, and no reader who once takes them up will put them down or fail to turn back and read them again. There are, however, two passages which cannot be passed without notice. "Darkness pervaded not only the air but all our minds—

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indignation at the intense folly of mismanaged world politics that lead to all this rose in one like a physical sickness. It was almost unbearable. It would have been totally so—at any rate, to those of us with lively thoughts and feelings—had it not been for the clear light of an ideal to lead us through this consummation of murk and misery. I pray that I shall retain that. There is no other consolation, except the pleasure of being among brave and splendid men.”

“The intense folly of mismanaged world politics” goes to the root of the whole matter. What civilization has to deal with are not the occasions of war, but the causes of war. Surely it is clear enough now that the murder at Sarajevo was but a spark in a powder magazine. The extinction of that particular spark would only have postponed war until those determined to have war had thrown in a blazing brand. If whole nations are allowed to develop the temper of Germany and Austria, while free communities shut their eyes to the menace, there comes a time when war is inevitable. For the free peoples there is no security till each and every citizen in peace is actually and knowingly responsible for the maintenance of peace. Now that we see what war means, let each man ask himself what he is doing, what, under existing conditions, he can do, to maintain the peace which men like John Allen have died to give us. His words echo from the trenches of Gallipoli like a cry in the night. Heaven forbid that we who survive should turn a deaf ear to his voice.

The absence of one word of hate is the sweetest thing in all these letters. John came as near to loving his enemies as creatures of flesh and blood are ever likely to reach in the stress of war. And throughout the love of his friends, often the love of his country, was the mainspring of his being. In truth it might be inscribed on his grave that John Allen thought well of men. To the last he had great joy in life. “Full of wretchedness and suspense as the last few days have been, I have enjoyed them. They have been intensely interesting. They have been wonderfully inspiring. That they have been so is due to the men with whom I have been. I always was an optimist; I have never lost faith in human nature. Now I know—now I know I was right.”

And if anyone doubting that ultimate faith should read these letters, he, too, will know.

THE LAST OF THE PEACE TREATIES

I

TURKEY'S turn has come. The last of the Peace Treaties is settled and published, the one which lays the new foundations of the Middle East. The Sultan is to stay at Constantinople. His empire, however, will only be a shadow of what it used to be, and his sovereignty is restricted in various ways. Turkish finances are to be under allied control, the military forces are strictly limited and the control of the Straits passes to a Commission consisting of representatives of a number of foreign States which are named in the Treaty. In Europe the Turk loses everything except his capital. In Asia his empire is split up and its component parts disposed of on the same principle of nationality as has been applied already to the reconstruction of Europe. Where the conditions are such as to make outside assistance advisable, the new countries are to be entrusted to mandatories. The actual Powers which are to perform these functions are not yet officially named, but it is already known that Great Britain is to have the care of Mesopotamia and Palestine, France of Syria. In the north, where the need is perhaps greatest, no nation has yet been found for the work. The Armenian difficulty is still unsolved. The different questions of which the problem of the Middle East is compounded will be considered in greater detail in a moment. A general glance,

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in the first instance, at the main features of the problem may perhaps help to give them perspective.

For the ordinary man the Middle East used to mean the old Turkish Empire in Asia, Arabia, and possibly Persia. To-day it has come to mean a good deal more. It is, indeed, getting more and more difficult to split up the East into such artificial divisions. Events are fast pushing back the partitions. None of the Mahommedan countries round Turkey can very well be left out. Geographically Egypt belongs to Africa, actually she is what she used to be—part of the Middle East. The same can be said of large tracts which before the war belonged to Russia. Azerbaijan, Georgia, and the Armenian Republic of Erivan have all come back to their old world. It is hard even to keep out Turkestan and Afghanistan; and before we know where we are the frontiers of India are reached. History in this is only repeating itself. There was nothing to separate the Middle East from Central Asia, or, indeed, from Northern Africa, until modern times.

Constantinople stands apart. It really belongs both to Asia and to Europe. Though its population is more than half Moslem, and it is the capital of the Turk, its soul is still claimed for Europe. Over 550 years have not changed the character of the Turk's occupation as an encroachment on the West. He is still only encamped in Europe.

The Treaty, of course, deals only with the Turkish Empire. Persia was never available for the melting-pot. Its future position was the subject of that separate arrangement between Great Britain and the Shah's Government which was dealt with in the December number of *THE ROUND TABLE*. Azerbaijan and Georgia have already been recognised as republics. So has Erivan. But every one of the countries that have been mentioned will be vitally affected by what is to be done to Turkey. It is like rebuilding part of a semi-detached house. In the west Egypt is already jealously watching the birth of the new Arab state in Syria, indignant that a race upon which

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she looks down as half barbarian should get a measure of liberty which has hitherto been denied to herself. Far away in the East Mahommedans in India, and for that matter some Hindoos too, are championing the cause of the Turkish Caliphate.

And it goes far beyond that. Nobody can be indifferent to what happens to the Ottoman Empire. Its geographical position makes it in a real sense the centre of the world. The waist of land on which it rests separates the Western seas from the Indian Ocean. Across it the high road from the East passed for centuries before Suez was cut. Who can doubt that it will be the same again? The Germans had no doubt about it. Their "*Drang nach Osten*" was the immediate cause of the war. Only some 200 to 300 miles of permanent way have still to be laid between Nisibin and the railhead south of Mosul, and then the Baghdad Railway will be finished. There is already talk of a more direct line from Baghdad to the Mediterranean farther south. Liquid fuel is ready to hand to feed the iron horse. The camel's day is nearing its end. The seclusion of the desert is passing. It is certainly no longer going to be left to itself as in the past. But there are other vantage grounds involved in the settlement. Topographical features have always had a marked effect on history, and none have done more to shape its course than places where some continent draws in to an isthmus or the sea to narrows. The waist of land which lies between the Persian Gulf and the Mediterranean also connects both the East and the West with Africa. A narrow tongue joins, or almost joins, Asia to Europe in the north; a second one joins it to Africa in the south. In both cases the tongue is cut—by natural straits at the Dardanelles and the Bosphorus, and by an artificial canal at Suez. Panama is the only other place where there are such crossroads by land and sea, straits and isthmus combined; and its history has still to be made. It is, however, over 1,600 years since Constantine chose the Bosphorus as the site for the capital

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of the Eastern Roman Empire, and the natural advantages which led him to do it are still as great as ever they were. The narrows on which Constantinople stands supply the only waterway by which at any time of year the largest country in the world can reach the Western seas. There is no part of the world which is not interested in its future. Russia is concerned more than all the rest, and she was far away when the Conference sat. Nor is it Constantinople only that matters to her. Between the Black Sea and the Caspian there is another waist of land. Across it lies the barrier of the Caucasus. The mountains are her door to the Middle East. Whatever happens there must affect her position. The fact that the Conference had to give its judgment on these points in default does not make a lasting settlement any the easier to reach.

The importance of the Peace is obvious. Trouble in the Middle East would be more than likely to spread elsewhere. At the same time, it is in some ways harder in this part of the world to build anything permanent than in the other countries with which the Conference has been dealing. The material is different to anything in Europe. Yet the same principles of architecture have to be applied. Immediately after the armistice it would have been hard enough, and time has made everything worse. Since last December, when an article in *THE ROUND TABLE* explained the reasons and some of the effects of the delay that has taken place, new complications have appeared. There is no field for a certain kind of propaganda like fear, especially when it is working on a guilty conscience. Like Macbeth, the Turks have found that one murder inevitably leads to another. The killing of the Armenians has started again. In the Arab world, sick of waiting for a decision, a Syrian congress last March offered the Emir Feisul the crown of Syria, and the offer was accepted. Palestine, it was said, was also claimed for his kingdom, and his elder brother Abdullah proclaimed king of Mesopotamia. In point of fact, we ourselves are actually administering

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Mesopotamia, as well as Palestine, at the present time. In Palestine Jews and Moslems have already been at one another's throats. There have been attacks by Arab raiders also on British posts. In Cilicia the position of the French seems to get more difficult every day, and the behaviour of Mustapha Kemal in Anatolia has forced the Allies to occupy Constantinople. After the armistice the world looked to America to take a part in rebuilding the Middle East. For a year and a half we hoped against hope, but last March the vote of the Senate put an end to the idea. With the falling out of America the bottom seems to a large extent to have fallen out of the territorial guarantee of the League of Nations. Further waiting is, at all events, out of the question. The rest of us must get to work.

There were high hopes when the Peace Conference began to sit in 1919. Its last problem, which calls for as much care and courage as all the rest, has had to be approached in a time of pessimism. In Europe, if the difficulties were great, there was, at all events, one great advantage. The people were, relatively speaking, on the same advanced plane of civilisation. All had to some extent been in touch with Western ideas, and it was a plan conceived in their own world that was applied. In the Middle East, while the complications which faced the Conference in Europe are to a large extent present, in some ways they are even greater. Minorities in the more backward parts of Europe are not in an enviable position, but in parts of the Middle East they will stand in danger of their lives unless there is a strong hand to protect them. The Middle East is, indeed, a different world. Doubters say that our Western principles are inapplicable to its conditions, just as Gothic architecture looks out of place away from the Northern forests which inspired its builders. There is at all events general consent that many of the peoples of the old Turkish Empire cannot be left to work out the plan unaided. The advanced peoples must lend them a hand. The call

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comes at a bad psychological moment. The nations which are fit for the work are weary after the tremendous struggle that has just ended. Here in Great Britain people are more inclined to draw in their horns than to take on fresh responsibilities. We feel like troops back from the line for a long deferred rest who are suddenly asked to return to the trenches. Yet we cannot turn a deaf ear to the call if it means being false to ourselves. The principles to give effect to which the League of Nations was formed are not new. They are our own.

II

THERE are few parts of the world where it is so hard to see the wood for the trees as in the Middle East. There is such a medley of races, its problems are hidden in such a wealth of detail, that even a keen observer might come away from the picture with no very clear impression. An attempt is made in the next section to explain some of the detail. There are, however, two main principles which stand out. One springs from the soil and is old. The other is new and comes from outside. The first is Pan-Islamism; the second Nationalism. Nationalism proper has nothing to do with religious creeds. It is found alike among Christians, Jews and Moslems. It has already begun to bring them together. Pan-Islamism is just the opposite. It disregards national and racial boundaries. Its basis is a religious bond. Its field is the Moslem world and members of other religions are outside its pale. As, however, the bulk of the population of the Middle East is Mahommedan, it has a wide hunting ground, even if no account be taken of Moslem countries farther afield, or of divisions in Islam itself. The Pan-Islamic movement is really an ancient growth, with its roots in the early days of Islam. It is doubtful if the Prophet

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himself seriously contemplated its spread beyond the bounds of Arabia, but later, under his successors, the horizon expanded. Universal empire was in accordance with the spirit of Islam. A single state co-extensive with it and under the supremacy of the successor of the Prophet became a natural dream, and unceasing wars gave, or at all events confirmed, its militant character. There will be nothing strange in this ideal to students of the history of mediæval Europe. Its counterpart was found in the West. In the time of Dante "One State, one Church" was the ideal of Christendom, and it lasted until the modern conception of the national state gradually took its place, though its real deathblow was given by the Reformation. The Holy Roman Empire, which died an almost natural death in 1806, was nothing more than a lingering survival, a mere ghost of what had long ceased to be a living idea. On its temporal side the dream rose for a moment again in the imagination of Napoleon. With the fall of William II it has gone from the West, perhaps for ever. In the Middle East it was natural that the idea of a world state should live on. Its peoples had been accustomed from earliest times to outside rule.

The motives behind the Pan-Islamic movement to-day are mixed. The moment is a desperate one. From a worldly standpoint Islam has never been so low, and spiritually it is invaded by all sorts of outside ideas. The ideal of a Mahommedan world has faded into the background, and the practical programme of the movement has come to be rather the closing and strengthening of the ranks of Islam for resistance to outside influence. It has no quarrel with separate states within its bounds. Islam is, however, to be the dominant power as well as the binding force, and other creeds must necessarily take a back seat in its world. Above all, the dignity and temporal position of Islam must be kept intact. Its most active agents are the Young Turk party. Their aims are rather political than religious, and Islam is a tool ready for their purpose.

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It supplies the cement that they need, just as in India Hindooism binds together the different races. The movement takes the place of and supplements the Pan-Turanian movement. The object of the Young Turks is to restore the old Turkish Empire and perhaps more, and the theory of the Turkish Caliphate also fits in well with their plans. Nor has the moment been altogether unfavourable. The general discontent resulting from the delay in settling the treaty has made people more ready for any agitation. Fear also gives strength to the cause. The leaders of the movement play with effect on the restlessness which has been referred to already. Tribes afraid of recent massacres being brought home to them, or of the Conference handing them over to their Armenian enemies, snatch at any alternative. They have not shrunk from stirring up fresh massacres to further their aims. Then there is in most Moslem countries a certain element of fanaticism and a dislike of foreigners which is generally brought to the surface with European pressure. This too adds grist to their mill. Besides these elements there is a solid body of Moslem opinion to whose religious conservatism the Pan-Islamic ideal makes a genuine appeal. They too are afraid. They see the tide of Western aggression eating into the cliffs of the old world that is sacred to them. To them Nationalism and all that it stands for to-day in the way of advanced ideas are naturally antipathetic. Their instinct tells them that the principle of religious ascendancy could not live in such an atmosphere.

Nationalism proper is, indeed, at the opposite pole. It too is largely antagonistic to the West, though it is not because it has any quarrel with Western ideas. On the contrary, it has adopted many of them—but it resents interference from outside. It wishes the people of the Middle East to be left to work out their own salvation. It is no doubt apt to overrate their ability to walk alone. It would at all events limit European interference to advice and help. It is an accident that the Turkish

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Nationalists find that it suits their book to work in with Pan-Islamism. They back the movement not as Nationalists but as Imperialists.

What chance is there, then, of Nationalism making good? It must not be imagined from what is said above that national character is weak in the Middle East, for there are no more marked types anywhere. Arab, Persian, Turk and Kurd have all of them an individuality as strong as our own. It is the same with the Armenians, though generations of oppression have naturally given them characteristics which are the reverse of attractive. Self-expression in most of the races of the Middle East has, however, only lately begun to take a political direction on Western lines. History records plenty of Moslem separatist movements in the world which used to acknowledge the sway of the Eastern Caliphs, especially in its outlying parts; but until comparatively lately national aspiration did not as a rule go beyond the influence which it could bring to bear on the reigning power or the dominant idea. In this its effect was considerable. The Persians accepted Islam in its earliest days, but under their touch it became a different thing. They read into it what their national genius demanded. Old ideas found a new home. Moreover, they contributed at least as much as the Arabs to the brilliance of the Abbasid period. The two civilisations met rather than mixed at Baghdad. To-day the old order is changing fast, and the nations of the East are no longer content to follow any more than those of the West. Nationalism is naturally strongest in a great centre like Damascus, where people are more advanced in their views and mere contact helps to fan the movement. They are also comparatively near to the source from which it came. It is not, however, confined to the cities. It is infecting the backward and more distant peoples as well, and it seems bound to spread as the means of communication improve. Every fresh mile of railway track, every new telegraph post lends it

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wings. The Middle East is hedged around with Nationalist influences. Nor is the movement even in the backward parts of the Turkish Empire a mushroom growth which has sprung up in a night. In its present form no doubt it is a break with the past ; but before the close of the last century the Kurds had already two or three times tried to win their independence. They have the same aspirations to-day. Not the least of the difficulties which the Conference has had to face is the absence of any impartial authority to protect racial minorities in Anatolia, Armenia and Kurdistan. Although, however, the conditions differ widely in various parts, Nationalism, generally speaking, seems to have come to stay in the Middle East as elsewhere.

III

IT is now time to deal with certain details. A bird's-eye view at the start makes it easier to understand the different questions, but detail is also essential for a proper grasp of the whole problem. First and foremost comes Constantinople, with which the cause of the Turkish Caliphate has also become entwined. For many centuries the Caliphs in the East were Arabs, their seat being first of all in Arabia, and later at Baghdad. The Baghdad period came to an end with the Mongol invasion under Holagu in A.D. 1258, when the Caliph Mustassin perished. He was believed to be the last of the Abbasid dynasty, but another scion of the family was soon afterwards discovered by the Sultan of Egypt, and for the greater part of three hundred years the Caliphate continued to exist in that country, though it seems to have carried with it little or no real authority. The holder of the office became, indeed, according to the accounts which have come down to us, little more than a puppet in the hands of the Memluk rulers. After the conquest of Egypt by Selim, the Osmanly Sultan, in A.D. 1517, the Caliph of the day was

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taken to Constantinople, where he some time afterwards resigned his rights to Selim's successor. Since that time the Caliphate has remained at Constantinople.

With the Sultan's right to the position the Peace Conference was not concerned. It is a religious question purely for Mahommedans. The attitude of Moslems is, however, a matter in which we can take a legitimate interest. In point of fact they do not all see eye to eye on the question, though no doubt many who do not recognise the Sultan as Caliph have a sympathy for Turkey. The attitude of the Shiah sect is, generally speaking, one of indifference. That, at all events, was the impression given by a Persian delegation which visited this country not long ago. The State religion of Persia is Shiah, and more than half the people of Mesopotamia belong to the sect. They have their own Holy Places, and the Caliph to whom they look does not exist in the flesh. The Moors, on their side, look upon the Sultan of Morocco as Caliph. As for the Arabs, it is doubtful if even the Sunnis would lift a finger in support of the Turkish cause. Only the other day the Emir Abdullah, son of the Sherif of Mecca, made a statement at Cairo which showed that the Sultan did not, in his opinion, possess the essential qualifications for the office. The Sultan was, however, far from being left with no one to back his claims but his own Turkish subjects. He has had to look rather far afield for assistance, but he has not looked in vain. A variety of reasons have led Indian Moslems to take up his cause, and there is no doubt that they have done it yeoman service. We have the statement of the Prime Minister of Great Britain in proof of this. Apart from religious reasons, they felt that nothing could make up to Islam for the loss of a capital which, from the point of view of beauty, historical associations, and situation, is unique among the imperial cities of the world. Since it was founded 1,600 years ago it has always been the metropolis, not of a single state, but of a great Empire. Once upon a time it took in half the

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civilised world. It is easy to understand the prestige that is bound up with it. It has also counted for much that the Caliph should be the sovereign of a great state which has had one foot in Europe for so many centuries. For the same reasons, no doubt, the Indian Khalifat delegation have done their best to get the Powers to leave the Turkish Empire intact, and this notwithstanding the fact that the national hopes of many Moslems like the Arabs of Syria ran counter to their proposals. Hindoos have seconded their appeal. They had political reasons for doing so, but there was, no doubt, genuine sympathy as well. To many Indian eyes the Turk appears, not in the rôle of one of the principal villains in a tragedy which has not yet reached its last act, but of a fellow-Asiatic in danger from Western aggression.

The original intention of the Allies had been that Constantinople should pass to Russia. Her defection and what has happened since put an end to that idea, and several reasons combined to produce the ultimate decision of the Peace Conference. One of them has already been referred to. There are 66,000,000 Moslems in India, many of whom, as already mentioned, sympathise with Turkey. They found many of the troops who helped to win the war, and in many other ways have deserved well of the British Empire. Another was that pressure could more easily be put on the Turkish Government, in the interest of minorities, if it remained at Constantinople than if it retired to the interior of Anatolia. Certainly there were signs the other day that the oracle can be worked to some purpose. The Sultan's proclamation seems to have had more effect against Mustapha Kemal than was expected. The main reason of all, however, was no doubt that, since America made up her mind to keep out of the business, there was no one else to put at Constantinople. Any mandatory must needs be a powerful state. No one knows what the future may bring forth, especially from the north.

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Constantinople is not the only possession that has remained to the Turk in Europe. The years have taken much from him, but the war found him still with important territories in the West. Mr. Lloyd George made a speech in January, 1918, that has been much quoted by people who support the cause of the Turk. It was a couple of months before the great German advance. "We are not fighting," he said, "to deprive Turkey of its capital or of the rich and renowned lands of Asia Minor and Thrace, which are predominantly Turkish in race." The words fell on deaf ears. The Turks preferred to wait for the great throw of the Central Powers. Some confusion, however, has been left in people's minds about the Thracian question. The only part of the country which contains a majority of Turks is Western Thrace, which, however, did not belong to Turkey at all. It was Bulgarian territory down to the Peace settlement, and has now been joined to Greece. Eastern Thrace, on the other hand, though it belonged to Turkey, contains a majority of Greeks. In 1914 the relative proportions were, according to such statistics as were available, 313,000 Greeks to 225,000 Turks. There are also a number of Bulgarians, and their claims have recently been voiced by President Wilson with special reference to Adrianople and Kirk Kilisse; but as they are in a minority in Eastern Thrace as a whole, the country is given to Greece as far as Chatalja. There are, however, special provisions to protect the rights of Moslems in places such as Adrianople, where they are in large numbers.

Thrace gone, Turkey is left in Europe with a territory which, indeed, includes Constantinople, but otherwise is little more than a bridgehead in point of size. In Asia she will still have Anatolia, where the population is Turkish with a fringe of Greeks by the sea. It is not, however, the Anatolia of her pre-war days. The administration of Smyrna, its immediate back country, and a strip along the coast in which the majority of the inhabitants are Greek, goes to Greece, though the nominal sovereignty

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of the Sultan over it is to remain. The only available figures date from before the war and are as follows : Greeks 375,000, Mussulmans 325,000, Jews 40,000, and Armenians 18,000. At the end of five years a plebiscite will be held to decide whether the country so administered is to be formally annexed to Greece or not. In any event its administration would remain Greek. The enclave will, notwithstanding the figures, be adversely criticised by many as spoiling the completeness of the only territory in Asia that is to be left to the Sultan. Smyrna is the natural port for a great deal of it.

Turkish Anatolia itself is not under the control of Constantinople at this moment. The real power in the country is Mustapha Kemal Pasha, who for a long time now has been the leader of the Turkish Nationalists, and he holds the whole country except what happens to be occupied by the Greeks or by French troops. Till the Allies occupied Constantinople the other day the Government did whatever he told them. Through the Cadi of Angora he has lately proclaimed a holy war. His standard has been the rallying point for the remnants of the old Turkish army. His influence stretches as far as Azerbaijan, where it either joins hands or clashes with Bolshevism : which of the two is still a moot point.

We turn now to those parts of the Ottoman Empire in Asia which are not Turkish in race. Vast territories are involved, and peoples whose character has been determined by their peculiar surroundings. With the exception of a strip along the Mediterranean littoral in which the best part of Syria and Palestine lie, and of the banks of the great rivers, all the southern part east and south of the Taurus ranges is, as the map shows, either desert or else steppe which can only partly be used for cultivation, though much of the soil is rich and wants nothing but water. This is the Arab world. There is hardly a stone in the greater part of it, trees nowhere. It is as bare as the veld. Natural frontiers there are none. Except in the north and north-east, where the mountains close the plain, they



THE NEARER EAST Land Surface Features

(Based on map in D.G. Hogarth's "The Nearer East")

English Miles
0 50 100 200 300 400 500

- Cultivated and available for cultivation
- Steppe partly available for cultivation
- Steppe Desert
- Utter desert
- Mountain vegetation







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are out of the question. The rivers, here as in Egypt, help to make the land one. The northern part of the Middle East, on the other hand, is most of it, except in the wilder parts of the hills, fit for crops or pasture of one kind or another, and there are forests. It consists of uplands and mountains. Anatolia, Kurdistan and Armenia, the relative positions of which can be seen on the map, are all of this character. Armenians and their foes glower at each other in the same valleys, and in many cases massacres have turned majorities into minorities. The blood feud has long ceased to be on one side only. If the races were in separate districts the problem would be half way to solution. The line between the plains and the highlands is not very far north of the Baghdad railway as it will be when completed east of Aleppo. To a traveller in Mesopotamia going north the change is almost sensational. Long before he gets to Mosul the plains gradually break into billow-like ridges—it might be the sea touched by a sudden gale—but, except that the ground becomes stony, its character does not radically alter. Suddenly close to the town he becomes aware of a different world. Across the wide Tigris valley the mountains of Kurdistan loom up in front of him, range behind range. The highest of them carry snow in most seasons of the year. The soft blue of the more distant slopes suggests trees again. The plains are over. He has reached the great northern massif of the Middle East. It is like approaching an iron coast from the sea. To the east the mountains separate Mesopotamia from the high plains of Central Persia, and between Mosul and Lake Urmia live the remains of one of the ancient peoples of the world, the Chaldeans and Assyrians, more claimants for home rule. Northward the mountains continue as far as the Black Sea and the Caspian. Between these two they melt into the tremendous barrier of the Caucasus. Under its shadow lie the three latest additions to the independent states of the world, Azerbaijan, Georgia and Erivan.

To judge from the map, no part of the world would seem

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farther away from everywhere than this tangle of wild hills. For all that, many people have had their eyes upon it. These new republics owe their birth to the collapse of Russia. Their position during the war gave them a peculiar importance from the point of view of the Central Powers. Azerbaijan had a natural sympathy with the Turks, Georgia was taken up for her own purposes by Germany. The third, Erivan, is Armenian, and its peoples held by the Allies. They appear always to have been hated by both their neighbours, not merely on account of their race or even their religion, for the Georgians also are Christians, but perhaps for their reputed possession of the Jews' dangerous gift of being able to live on their fellow-men. Before the crash of the Central Powers the position seems to have been as follows: To Germany, Christian Georgia, with her capital at Tiflis, offered possibilities for the new road to the East which took the place in her dreams of the Baghdad railway when our conquest of Mesopotamia spoilt her plans in the south. Azerbaijan, mainly Moslem, appealed to the Turkish Nationalists in much the same way. The Pan-Turanian movement at the moment was looming large. Compensation had to be found also for their losses in the south, and their chance came with the break-up of Russia. Their object was to link together all the Turkish and Tartar races as far as the Caspian and even beyond. Azerbaijan lay ready to hand, a stepping-stone¹⁷ even to remote Turkestan. The Moslems of Azerbaijan are, it is true, Shiahs by religion, but by race they are Tartar and their sympathies are with the Turk. It was to this quarter that Enver retired when the game was up in Constantinople.

There are other people besides the Germans and the Turks who have found this far-away state interesting. Right on the Caspian, at the end of a line which joins that sea to the Black Sea, stands Baku, which is not only the capital of Azerbaijan, but the centre of one of the most famous oilfields in the world. Russia has long depended on

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Baku. It was not only that Azerbaijan was necessary to round up her possessions in the Caucasus, and that it lay on her road to the Middle East generally. More than anyone else she has depended on its oil. That she still has no intention of keeping away is shown by the news that a Soviet revolution has already broken out and Bolshevik troops from the north are reported to be in the town. There are mixed populations in all these republics, but Russians far outnumber the other nationalities in Baku itself. Clearly our plans in these parts and our general Russian policy are bound up together.

As for Erivan, there are complicated boundary questions to settle, as there are in the case of the neighbouring republics, but there is far more than this. It brings up the whole Armenian question. The Treaty contemplates a larger Armenia which is to be formed by joining the Turkish Armenians to the republic, provided that practical effect can be given to the cession. The Erzeroum district would be included, for, though the Turks have always been in a majority there, it is necessary to complete the territories of the new state, and historically the Armenian claim is strong. The difficulty is that no one has hitherto been found willing to accept a mandate. The mandatory must be a powerful state, otherwise his wishes will be disregarded; and at the present time Mustapha Kemal Pasha does what he likes in Turkish Armenia. His headquarters are at Erzeroum itself. A further complication are the Bolshevik symptoms in the north of the country which have followed the revolution in Baku. Clearly it would be a farce to fix the boundaries of the new Armenia until the means are found to enforce the decision of the Conference. The country is not only exceptionally difficult in character, but it is also a long way from the sea. It will help matters to internationalise Batoum on the Black Sea, as the Conference proposes; but when reached it is only on an inland water. Freedom of passage to the open sea will still depend on the holders of the Straits of Constantinople.

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The League of Nations was offered the Armenian mandate in the first instance. It naturally had to decline it, though it is ready to try and find some state to accept it provided that such state's expenses are guaranteed. The only satisfactory solution is that America should undertake the work, and the Peace Conference has now, it is understood, formally asked her if she will do so, with a further proposal, for which provision is made in the Treaty, that the boundaries between the new state and Turkey in the vilayets of Erzeroum, Trebizond, Van and Bitlis, should be fixed by President Wilson. Armenia is recognised by the Treaty as a free and independent state.

Next comes Kurdistan. Like Armenia, it is a land of inhospitable mountains, in which hostile races often live side by side, and the question of a mandate is still unsettled. The Kurds have never liked the Turks, though their fears of vengeance have given the agitator a certain hold over them. Their desire to win their independence has already been mentioned. In religion they are Moslems and Sunnis, but in race and language they are related to the Persians. There are, indeed, over a million of them living over the Persian frontier, and half of these are Shiah. In spite of the massacres they have not a name for fanaticism. People say that it was the Turks who instigated the killing, and that if they were left alone Christians and Moslems would soon settle down. British officials who know it speak well of the race. They have supplied Mesopotamia with excellent labourers, and if conditions give them a chance seem likely to succeed as farmers. The fact that the race has one foot in Persia, however, complicates the political situation, just as it does in Azerbaijan, for it becomes harder to make a satisfactory national entity of them. Kurdish districts are also included in Mesopotamia, especially in the Mosul vilayet.

Under the Treaty the Sultan is to recognise the autonomy of Kurdistan, and if its inhabitants should within a stated time appeal to the Council of the League of Nations, upon

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the recommendation of the Council they are to be given complete independence. There are also provisions to protect the Assyro-Chaldeans and to permit those Kurds who are at present included in the Mosul vilayet to join Kurdistan if it receives its independence. The boundaries of Kurdistan itself are to be fixed later.

So much for the northern part of the Middle East. There remains the Arab world, where considerations into which the wishes of the inhabitants or the main interests of the country did not always enter have led to its division into spheres of influence. It is unnecessary to go into the different agreements. As already mentioned the British sphere consists of Mesopotamia and Palestine, the French of Syria. The French at present hold and administer the Syrian coast towns from Tyre to Alexandretta inclusive, while the Emir Feisul, the son of the King of the Hejaz, whose services to the Allies in the war are a matter of common knowledge, rules inland Syria. The cities of Damascus, Hama, Homs, and Aleppo are under his government. For any support or advice he must go to the French and not to the British.

The Hejaz itself is declared by the Treaty to be a free, independent state. Palestine is to remain under the direct administration of the mandatory. Mesopotamia and Syria are made independent states in accordance with Article 22 of the League of Nations, though they are to receive the advice and assistance of mandatories until they are able to stand alone. The boundaries of all three countries are to be fixed by the principal Allied Powers.

Many of the Arabs object to the present arrangement. Their view, which is shared by not a few Europeans, is that it splits up into several parts a country which is essentially one. In the end they will, they say, certainly come together again either in the form of a single state or of a confederation. Nature herself favours this unity. The great rivers would disregard division. So would the nomad. He crosses the country from end to end. There

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is summer pasture in Syria, while winter grazing takes him as far as the Persian Gulf. He is also the carrier of the desert, so that neither Syria nor Arabia can be permanently cut off from Mesopotamia. And the desert will only support a limited number of people. In other countries the surplus go to America. Here the Bedu has an America at his tent door. He just goes to the river strip or he settles in Syria, as he has done from time immemorial. Its outlying settlements are his market towns. The differences between Arabs seem great to the stranger. They really only go skin deep. Townsman, settler, and Bedu may be kept apart by mutual contempt, but all are proud of their descent from the desert. Like their religion they belong to it. What keeps the country one is something deeper than Arab nationality, though the population is in any case mainly Arab. So are its language and its civilisation. This applies to Syria and Palestine as well as to the rest. In Palestine the Zionist claims are based not on the present, but on the past and the future; they count on a large immigration of Jews, who at present form only one-sixth to one-ninth of the inhabitants. The Christian Syrians of the coast and in the Lebanon are against coming into an Arab confederation or kingdom. It is not, however, because they are likely to be ill-treated. Christians are already helping the Arabs to build a state at Damascus. But the Christian population is too small, and if the rest of the country one day comes together it will be impossible to keep it from its natural outlet to the Mediterranean. The Persian Gulf is only a back door. It was circumstance that turned the Arab's back on the West. He really belongs to the Mediterranean. At present he is going through a transition stage. Never before have the windows on to the great world been opened so wide for him as since 1914. Even the Bedu is bound to move with the times, and the settled population is sure to increase. Whatever the practical difficulties, the rich soil that supported Nebuchadnezzar's Empire is still there,

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and all the better for its rest of centuries. Arab nationalism will grow with the settled community. It does not, however, even to-day depend entirely on the towns. Its accepted leader is the son of a Bedu king of the holy tribe of the Koreish. The Hejaz Arabs were not only fighting to assist the Allies; they were out to win independence. Nor is the Peace Conference dealing with a race of savages, for the Arab belongs to one of the old master races of history. His cousins built the Assyrian Empire. His ancestors helped to make Baghdad a world centre when England was still covered with forests. He has given a distinguished literature and language to the world. The Semitic race, to which he belongs, produced Christ as well as Mahommed. His mediæval Empire fell because it was only held together by an idea. It would be unfair to judge him by what has so far happened at Damascus. Conditions hitherto have not given him a chance. He may at present lack constructive ability. He has, however, keen wits, can learn, and only asks that we should teach him. Such are the arguments. Our own policy and that of the French must depend largely on our view of this matter. There is, for instance, the question of what districts Mesopotamia is to include and where its frontier should be placed. South and west of the mountains there is no natural line short of the back country of Syria. A mandatory could hardly sit down at Basra as has been suggested and let the rest of the country get along as best it may. In the north and north-east we have to settle how much of the mountain region should be taken in. It is partly, but not entirely, a military question. If Mesopotamia is for all time to be a separate state there may be something to be said, other things being equal, for taking in people of a different race in order to add mountains and forests to plains which lack both trees and stone, or to ensure order in districts from which trouble would be sure to spread. If, however, the country is one day to become part of a larger Arab whole, in the absence of other compelling factors, as few non-

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Arabs as possible should be included. Then there are such questions as railway gauges, which have given much trouble in Australia, where the different states grew up with their backs to one another. One thing will certainly make for amalgamation later. Many of Feisul's most active supporters come from Mesopotamia, and they have not forgotten their old country.

Zionist aspirations in Palestine are, however, definitely recognised in the Treaty, which cites and embodies the terms of the declaration made by Mr. Balfour in November, 1917, in a letter to Lord Rothschild. That declaration read as follows :—

“ His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country.”

Such is the groundwork on which the future of the Middle East is to be reconstructed. Whatever people may think about the wisdom of having more than a single mandatory for the Arab world, it is clear that outside assistance cannot at present be dispensed with. To restore the authority of the Turk is out of the question, and something must be built up in its place. If the country were to be left to itself chaos would be the result, and to prevent a state of things which might lead to another war is in the interests of everybody, particularly of the Middle East itself. If, as has sometimes been suggested, we were to cut our loss and quit the country our place would probably be taken by other people, and both the world and the Middle East might fare worse for the change.

To consider in detail what form of government is to be

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set up in the different countries would be outside the scope of such an article as this. The general policy which is to be followed by France and England in Syria and Mesopotamia was, however, the subject of a joint official declaration issued in November, 1918, of which a copy is appended to this article. It has been briefly summarised as binding Great Britain and France to encourage native government in the two countries and without imposition to assure the normal working of such governments as the peoples shall themselves have adopted. Both our obligations and our interest demanded that our aims should rather be a native government advised and assisted by Europeans than a European government advised and assisted by natives.

IV

FROM what has been said above it will be clear that though the conditions in the Middle East are different to those which obtain in Europe, the Peace Conference has in Nationalism something on which it can and should build. Nationalism proper means responsible government, democracy, and the abolition of tyranny. With neither of the two great movements, Pan-Islamism or Nationalism, have we in the West any quarrel. The religion of a people is a matter for themselves. They are perfectly entitled to organise themselves to protect its interests, provided that they respect the rights of other people. Nationalism stands for the peace and progress of the country in their best sense, and so do we. To attempt to crush the new ideas would be a fool's game. Their ferment is all over the world, and every nerve specialist knows to what suppression leads. They can, however, be encouraged to keep in sane channels. It is not as if there were no alternative. In the north there is a different

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sort of brew. The Germans, who have already had a taste of it, call it "Socialismus Asiaticus," and it is already south of the Caucasus. On Bolshevism we could not hope to build.

Whatever may be said of the Peace Conference's scheme in points of detail, it is, at least, a logical attempt to do in the Middle East what has already been done in Europe. The new world there is to be reconstructed on the principle of nationality, and not on the old form of reactionary imperialism. Criticism and bitterness are bound to follow the decisions that have been come to. Deep disappointment is felt on both sides of the Atlantic, especially after the revival of the massacres, that the Turk is, after all, to be left at Constantinople. On the other hand, there will be resentment at the break-up of the Ottoman Empire. Smyrna especially will be a bitter pill.

And yet the Conference's plan does not place any undue hardship on the Turk. It is true that certain necessary restrictions have been imposed. Not only is his Empire, however, being dealt with in the same way as those in Europe, but his national claims are, in spite of all his misdeeds, given equal recognition, territorially, with those of other nationalities. To the Turk's imperialistic aspirations a deaf ear has rightly been turned. Of all the nations, he has in any case least claim to be left in charge of subject races. It is reckoned that during the war 800,000 such people were massacred by his orders and 200,000 deported.

It is essential to realise in what the true issue lies. Considerations such as our former traditional friendship with the Turks and the personal characteristics of the different races of his Empire are merely red herrings drawn across the trail. There is something deeper at stake. The truth is that we cannot expect to run with the hare and hunt with the hounds. To give the Turk another chance, as it is often put, might or might not make our course in India a little smoother. It might or might not

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ease the strain for the moment in Armenia or Anatolia. Such things are, however, beside the point, and it would in any case only postpone the necessity for a real settlement. The question would be sure to revive, and probably in a more difficult form.

It is no moment for opportunist remedies. We stand at the parting of the ways, and two irreconcilable principles are at stake. On the one side is the principle of Nationality, which is backed by the Conference. On the other, though it may use the cloak of religion, is Imperialism at its worst. One road leads forward. It brings the gift of freedom to races and religions on whose neck the Turkish yoke has hitherto pressed. The other leads back. If it were to be taken, minorities of alien race would once more be left to the mercy of one of the most murderous and malign tyrannies that the world has seen, and the whole of the ideal for which we fought in the war, national liberty and responsible government, would be reversed.

TRANSLATION OF ANGLO-FRENCH DECLARATION PUBLISHED
IN LONDON, PARIS, NEW YORK AND CAIRO ON
NOVEMBER 8TH, 1918.

The end which France and Great Britain have in view in their prosecution in the East of the war let loose by German ambition is the complete and definitive liberation of the peoples so long oppressed by the Turks, and the establishment of national Governments and Administrations drawing their authority from the initiative and free choice of indigenous populations.

In order to give effect to these intentions France and Great Britain are agreed to encourage and assist the establishment of indigenous Governments and Administrations in Syria and Mesopotamia, which have already in fact been liberated by the Allies, and in countries whose liberation they are endeavouring to effect, and to recognise the latter as soon as they shall be effectively established. Far from wishing to impose any particular institution on these lands, they have no other care but to assure by their support and effective aid the normal working of the Governments and

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Administrations which they shall have adopted of their free will. To ensure impartial and equal justice, to facilitate economic development by evoking and encouraging indigenous initiative, to foster the spread of education and to put an end to the divisions too long exploited by Turkish policy—such is the rôle which the two Allied Governments assume in the liberated territories.

OFFICIAL SUMMARY OF DRAFT TREATY OF PEACE WITH TURKEY.

The Draft Treaty of Peace now handed to the Turkish representatives is designed, in the first instance, to set forth the conditions upon which the Allied Powers will make peace with Turkey, and in the second place to establish those international arrangements which the Allies have devised for more stable and equitable conditions and in the future for the betterment of mankind. For this latter reason it includes the Covenant of the League of Nations and the International Labour Convention.

The Treaty is divided into 13 parts :—

The first part contains the Covenant of the League of Nations, to which functions are assigned in various places in the Treaty.

The second part describes the new geographical frontiers of Turkey in Europe and Asia.

The third part, which consists of 13 sections, binds the Turks to accept immediate and contemplated political changes in Europe and Asia brought about by the Treaty. This part of the Treaty establishes a special *régime* for the waterways of the Dardanelles, the Bosphorus and the Sea of Marmara ; provides for the autonomy and possible eventual independence of Kurdistan ; creates a special *régime* for the district round Smyrna under Turkish sovereignty but effective Greek administration ; assigns Eastern Thrace approximately up to the Chatalja lines to Greece ; provides for the recognition of two new States, the Hejaz and Armenia, for the provisional recognition of Syria and Mesopotamia as independent States, advised and assisted by a Mandatory, and for the administration of Palestine by a Mandatory, who will be responsible for putting into effect the declaration made by the British Government in 1917 regarding the establishment in Palestine of a National Home for the Jewish people.

It also provides for Turkish recognition of the new situation created by the war in Egypt, the Sudan, Cyprus, and the Ægean Islands, and the French Protectorate in Morocco and Tunis.

The fourth part deals with the protection of religious, racial and linguistic minorities in Turkey, and provides some measure of restitution and reparation for their sufferings during the war.

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The fifth part sets forth the military, naval, and air conditions of peace, limits the armed forces at the disposal of Turkey to the Sultan's bodyguard, gendarmerie, and special elements for the reinforcement of the latter. Compulsory recruiting is abolished in Turkey, and the maintenance of the freedom of the Straits is guaranteed by the creation of a zone round them in which fortifications are to be demolished and France, Great Britain, and Italy reserve the right to maintain military, naval, and air forces. The Turkish Navy is abolished, except for certain vessels retained for peace and fishery duties, and the Turkish Air Force is suppressed.

The sixth part regulates the return of prisoners of war, and imposes obligations on the signatory Powers for the maintenance of all graves of the fallen. Special provisions are inserted regarding the Allied graves in Gallipoli.

The seventh part deals with penalties for those who have committed acts in violation of the laws and customs of war, and who were responsible for the massacres in Turkey during the war.

The eighth part deals with the future financial arrangements in Turkey, and provides for Turkey's financial rehabilitation and for some measure of reparation.

The ninth part contains the economic provisions, re-establishes various non-political treaties and conventions, and lays down the future principles of settlement regarding companies, concessions in Turkey and in territory ceded by Turkey by the Peace.

The tenth part provides for the future of aerial navigation in Turkey.

The eleventh part contains clauses dealing with the international control of ports, waterways, and railways.

The twelfth part contains the Labour Convention.

The thirteenth part is made up of a series of miscellaneous articles, such as the confirmation of Allied Prize Court decisions, and the future of the sanitary *régime* in Turkey and in the territory detached from Turkey. The final clauses deal with the ratification and the entry into force of the Treaty and envisage the eventual accession of Russia to the Treaty.

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IT was a great surprise to most people in this country when directly after the termination of the Great War we found ourselves confronted with grave troubles in Egypt. Many years had elapsed since the stormy period of the eighties of last century, when the affairs of Egypt were among the chief anxieties of British statesmen and the subject of heated political controversy at Westminster. The turn of the tide came nearly thirty years ago. By that time, thanks to the wise and patient policy of Lord Cromer, Egypt had been rescued from the slough of poverty, oppression and disorder in which we found her, and was entering on a new era of material prosperity. Financial recuperation and just and orderly government, putting an end to the exactions and cruelties of the old regime, led to an immense improvement in the condition of the mass of the people. For many years the Annual Reports, in which Lord Cromer reviewed in great detail the course of his administration, were an almost monotonous record of material and social progress. Thus, instead of being a constant worry, an entanglement from which we were anxious to escape, Egypt came to be regarded by us with pride, as one of the brightest spots in the wide field of British Imperial rule. And so she remained even after, in 1907, Cromer's guiding hand was withdrawn. Despite some untoward incidents, premonitory symptoms of future trouble, despite the incessant intrigues of the late Khedive and the steady growth of the Nationalist movement which he did so much to foster, our ease of mind with regard to Egypt was not seriously disturbed. And the comparative quiet which prevailed in Egypt throughout the war, even

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when Turkish armies were battering at her gates, was calculated to confirm us in our complacency. It was certainly an unexpected shock when the country, which had passed through the crisis of war with such apparent tranquillity, suddenly burst into turmoil as soon as the war was over.

It is not the object of these pages to recall the grave and tragic events of March and April 1919—the acts of gross barbarity committed by some of the rioters or the stern measures by which disorder was repressed. Suffice it to say that, under the firm and temperate control of Lord Allenby, the countryside seems now to have returned to its normal state of quiet.* Such disorders as still from time to time occur are confined to towns like Cairo, Alexandria, and Tanta, which from time immemorial have been noted for the turbulence of their mobs, and where at present the pressure of high prices is specially felt and is made the most of by the promoters of sedition. Thus there seems little doubt that, with the forces now on the spot, it will be easy to maintain order in Egypt. But that does not dispose of our difficulties. It is impossible to contemplate with equanimity the prospect of having always to keep a considerable army in Egypt, in order to prevent widespread disaffection from breaking into open revolt. What, then, are the causes of the change which has come over the political atmosphere of Egypt since the halcyon middle years of Lord Cromer's administration?

Too much importance must not be attached, in this connection, to the admitted mistakes of British policy. A great deal has been and is being said—it is one of the favourite themes of our Egyptian critics—about the great increase in the number of British officials and the alleged decline in their quality. And it is no doubt true that the number has increased, and of late years, *per incuriam* somewhat exces-

* This applies only to political offences. Crimes of violence, due to cupidity or to private animosities, are still very common among the country population as they always have been.

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sively. But it must be remembered that this is partly due to the constant and growing demand made by the Egyptians themselves for new Government departments and activities of every kind to meet the expanding needs of the country. The efficiency of any branch of the Government service in Egypt, above all of a new branch, still depends largely on the presence of a certain number of Europeans, especially in the higher posts, and it is only natural, in the circumstances that those Europeans should be mainly British.

For all that there is, as has been said, some cause of complaint with regard to the number of British officials. It is much more doubtful whether there has been any deterioration in their quality. Here again the change of circumstances must be taken into account. It is not to be expected that the rank and file of a highly developed administration should be individually up to the same standard as the few picked men who were introduced at the start. Now that the British officials are necessarily reckoned by hundreds, they cannot all be Kitcheners or Scott-Moncrieffs. In this connection it is worth while to recall a passage in Lord Cromer's "Modern Egypt," in which he points out how much is demanded of the ordinary British official :—

The Anglo-Egyptian official must possess some technical knowledge, such as that of the engineer, the accountant or the lawyer ; otherwise he will be unable to deal with the affairs of the Department to which he is attached. . . . He must often explain his ideas in a foreign language, French, with which he has probably only a limited acquaintance. Unless he is to run the risk of falling into the hands of some subordinate, often of doubtful trustworthiness, it is, at all events in respect to many official posts, essential that he should acquire some knowledge of a very difficult Oriental language, Arabic. These, however, are all faculties to which it is possible to apply some fairly accurate test. The Anglo-Egyptian official must be possessed of other qualities, which it is more difficult to gauge with precision. . . . He must be a man of high character. He must have sufficient elasticity of mind to be able to apply, under circumstances which are strange to him, the knowledge which he has acquired elsewhere. He must be possessed of a sound judgment in order to enable him to distinguish between abuses which should be at once reformed

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and those which it will be wise to tolerate, at all events for a time. He must be versatile, and quick to adapt any local feature of the administration to suit his own reforming purposes. He must be well-mannered and conciliatory, and yet not allow his conciliation to degenerate into weakness. He must be firm, and yet not allow his firmness to harden into dictation. He must efface himself as much as possible. In fact, besides his special technical knowledge, he must possess all the qualities which we look for in a trained diplomatist, a good administrator, and an experienced man of the world.

It may well be that the average British official in Egypt does not come up to this high standard, but, as a matter of fact, he never did, nor is it a standard which is attained by or expected of the average Civil Servant anywhere.

Whatever loss of prestige the British element in the administration of Egypt has suffered in recent years (and the extent of that loss may easily be exaggerated) is due rather to a vague and vacillating policy than to any want of zeal and ability in the men appointed to carry it out. It has been a frequent complaint of late days among Anglo-Egyptian officials, that they are ignorant of the ultimate object towards which their efforts should be directed. There was no such indefiniteness of aim in the days of Cromer. But latterly different High Commissioners and different Advisers have held very different views, and changes in these high offices have been frequent. There have been four High Commissioners between Cromer and Allenby, all individually men of high capacity and character in their several ways, but only one of them—Kitchener—of commanding personality. Each of them in succession has been left to take very much his own course, and it is difficult to trace any continuity of direction. Certainly there has been no guidance from home. This is no doubt due to the fact that, as long as Cromer was at the helm, no guidance was thought to be necessary, while, since his retirement, British statesmen have been too much absorbed in other and more urgent anxieties to give much thought to Egypt. And on the rare occasions when they have interfered with “the man

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on the spot," the interference has not always been happy. It may well be that some of the worst mistakes in the handling of Egyptian affairs have been made not in Cairo but in London.

But whatever the faults of our policy or the defects of its agents, the problems which now confront us in Egypt are problems which sooner or later would have arisen in any case. They are the inevitable consequences of our own reforming work. They are difficulties which we have created for ourselves and which, in one sense, we may take some credit for having created. With the growth of material prosperity there has been a great increase in the number of men of wealth and leisure. At the same time there has been a great development of education in the upper and middle classes, while, even among the lower orders, though nine-tenths of them are still wholly illiterate, there are now a certain number who at least can read. And concurrently with the increase of wealth and the spread of education there has been a notable change in the temper of the people. The profound servility born of centuries of Oriental despotism is beginning to give way to a more independent spirit, fostered by contact with the liberal ideas which British influence and example have instilled. This process has been silently going on for years ; and if it has not yet greatly affected the mass of the people, it is very manifest in the upper strata of Egyptian society.

What concerns us here is that this rising spirit of independence among the educated and semi-educated is directed in the first instance against British authority. The old ruling class, the Pashas mainly of Turkish origin, have always chafed at the restrictions which our presence imposed on their former arbitrary power. They have now been reinforced by the *intelligenza*, greatly increased as it is in numbers, and comprising some men who are capable, and many more who think themselves capable, of playing a part in public affairs. Among this latter class the lawyers of the Native Courts and the students of the Higher

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Schools are the most energetic and aggressive. Young Egypt, growing rich, and proud of its new-found "culture," is no longer content to be kept in foreign leading-strings. Its revolt is inspired partly, no doubt, by genuine patriotism, but even more largely by the desire of personal advancement on the part of great numbers of men whose education has fitted them for nothing but posts in the Government service. It is obvious that, if the British officials could be got rid of, there would be more such posts, though even then not enough to provide for one quarter of the aspirants. Add to these forces the influence of Moslem fanaticism, with its focus in the University of El Azhar, and you have the main elements of Egyptian "Nationalism." It is a highly complex movement, and embraces men of the most various types and tendencies—mediæval Reactionaries and ultra-modern Radicals, orthodox Moslems and complete free-thinkers, the Princes of the Khedivial family and the mob of the great towns. Deeply divided among themselves and suspicious of one another, they are yet all united in claiming, with more or less sincerity and insistence, that the government of Egypt should be transferred to Egyptian hands. The crucial question, which Egyptian hands, is for the moment left in abeyance. And prudently so, for, if once they began to discuss the future constitution of a wholly independent Egypt, the ranks of the Nationalists would be split into a number of conflicting factions.

Nationalism has been a growth of years and an inevitable growth, but it has undoubtedly made great progress since the end of the war, both in the extent of its demands and the number of its adherents. It is probable that Zaghoul Pasha and his "Delegation," when they first entered the field, would have been satisfied, at least for the time, with something far short of "complete independence." But, as often happens in movements of this kind, the ball once set rolling has got out of control, and the nominal leaders are obliged to heighten their demands for fear of losing all

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hold on their excited followers. Moreover, in this instance many influences have concurred in the last year and a half to strengthen the hands of the Extremists. Not only the events which have happened in Egypt itself, but the unsettlement of the neighbouring Arab countries, the delay in concluding peace with Turkey, the general unrest throughout the world and the intoxicating effect of the new doctrine of "self-determination" have all contributed to create an atmosphere most favourable to revolutionary ideas. Cool-headed observers may indeed think that, especially with a people at once so excitable and so easily discouraged as the Egyptians, the present agitation is too violent to last, that it is a fire running through stubble which will soon burn itself out. But, be that as it may, the fact remains that, in the present inflamed condition of public feeling, no native voices are raised in public to protest against its excesses. Many Moderates there certainly are, among professing Nationalists, who at heart are quite out of sympathy with the clamour for the immediate complete withdrawal of British authority, as all decent men must condemn the crimes by which it has been accompanied. They would contemplate with horror the chaos which must inevitably result, if Great Britain were in fact to leave Egypt to her own devices. But, comforting themselves with the thought that Great Britain will certainly do nothing of the kind, they are not disposed to face the unpopularity of openly dissenting from the "patriotic" programme, and thus exposing themselves to domiciliary visits from students and school-boys and to the abuse of the native Press.

And so, with nobody venturing openly to oppose it, the anti-British crusade has been carried on with ever-increasing vigour. The native newspapers, with few exceptions, have striven to outbid one another in the extravagance of their diatribes, until quite recently the censorship, which was only taken off some six months before, had perforce to be reimposed. One public body after another has been

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induced to pass resolutions in support of the agitation. There is no difficulty in raising large sums of money for carrying it on. The leaders of the movement have thus much evidence to justify their repeated assertion that they have the whole of the country at their back. All that is vocal in Egypt is certainly on their side. It is true that the fellaheen, who form three-fourths of the population, and whose steady industry is the bed-rock of Egyptian welfare, regard the whole business with indifference, and would gladly be let alone. But the sophisticated *litterati* who are making all the noise have a genuine contempt for this uneducated and voiceless peasantry. "The fellah," they say, "does not count."

This, then, is the situation with which we find ourselves confronted. That Great Britain can keep her present hold on Egypt by force, is not open to question. The Nationalist leaders themselves are the first to admit it. She could do so, even if a majority of the people were disposed to rebellion, and as a matter of fact rebellion against the existing regime is as alien to the temper of the fellaheen as it would certainly be fatal to their interests. The outbreak of the spring of 1919 was due, in the main, to temporary causes incidental to the war, and even so it was confined to the riff-raff of the countryside, and found little support among the genuine peasantry. But, on the other hand, there is a violent spirit of revolt against British control among the leaders of native public opinion. The native Press, the native Courts, the officers of the native Army, the native officials in the public service are all, in greater or less degree, affected by it. Unless something can be done to stem the tide of disaffection, it will be increasingly difficult to find natives of standing to fill the high offices of State, and we may be forced to take the administration of the country entirely into British hands. That is a prospect so formidable, so complete a reversal of the policy we have hitherto pursued, that it is impossible to contemplate it without extreme aversion.

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Is there no way of avoiding such a disaster ? Or, to put the question in a more definite form, is there no way of reconciling the aims of British policy in Egypt with what is sane and reasonable in Egyptian Nationalism ? Fundamentally this should not be impossible. It would not be in the interests of England, nor has it ever been her desire, to convert Egypt into a Crown Colony. The Egyptians who keep on fulminating against our supposed policy of "Colonialism" are simply beating the air. Great Britain has certain vital interests in Egypt, and those interests are of a permanent kind. They are more important than ever to-day, having regard, in the political sphere, to our increased responsibilities in the Near East, and, in the economic sphere, to our growing dependence on Egyptian cotton. But these are not interests, the defence of which necessarily involves our taking charge of the whole government of Egypt. A peaceful and progressive Egypt, in friendly alliance with Great Britain, and screened by that alliance from international interference, would completely serve our purpose. There is nothing in this incompatible with the ideal of Egyptian independence, reasonably interpreted. And, on the other hand, there are many Nationalists whose hostility would be completely disarmed, if they were convinced of the sincerity of our repeatedly expressed intention to help their country to stand on its own legs. Too much must not be made of their reluctance to come into the open to curb the extravagance of the present agitation. It is not easy for them to do so, as long as the controversy is confined to catchwords. What self-respecting Egyptian can be expected to say that, *in principle*, he is not in favour of the "complete independence" of his country ? But once let the discussion turn upon the practical steps which must be taken, if that independence is to be real and lasting, and many even among advanced Nationalists will be ready to admit, that Egypt is still far from fit to dispense with British assistance, and that in certain respects she must always stand in a closer relation to Great Britain than to

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any other foreign country. Despite the differences between us, and the bitterness which those differences have recently engendered, there is in the minds of thoughtful Nationalists a strong underlying sense of the comparative unselfishness of British policy ; and, in so far as their country remains under foreign influence at all, they would prefer that influence to be British.

It must be admitted that we have done little of recent years to encourage these moderate elements of Egyptian Nationalism. It is not sufficient for them that we should go on repeating that the ultimate aim of our policy is to enable Egypt to govern herself, that we are only her guides and teachers, and that this tutelary relationship is essentially transient. The answer is obvious : " You have been here for nearly forty years, and how much nearer are we to the goal to which you profess to be directing us ? " To that we may reply that Egypt really is nearer the goal, that the progress she has made in forty years is not only material, but intellectual and moral, that the number of native Egyptians capable of taking part in the work of government, and indeed actually engaged in it, is constantly on the increase. It is really absurd to contend that the Egyptian people are not much freer to-day, not much nearer to anything that can be truly called independence, than they were in the time of Ismail. And we may reply further that it is quite untrue to say that we have ever taken all power into our own hands, or that Egyptian Officials, Egyptian Ministers and Egyptian Khedives have been mere puppets, and not partners with us in the work of government. The system of dualism which has in fact existed may have had many defects, but it has been not a sham but a reality. And in so far as our authority has at any time prevailed, it has always been exercised not for our own advantage but in the interests of the great mass of the Egyptian people.

But when all this has been urged, can we honestly go on to say that the progress of Egypt towards an independent

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national life has been as rapid, or that our efforts in that direction have been as consistent and as whole-hearted, as they might have been? To build up an independent Egypt was, indeed, always the policy of Cromer, but in his later years the goal towards which he strove seemed in his own eyes to be receding further and further into the distance. And since Cromer's day British policy has swayed backwards and forwards, and measures have sometimes been adopted which it is difficult to reconcile with any policy at all. The time has certainly come to review the whole position, and to consider, if possible in concert with moderate native opinion, what practical steps can now be taken to accelerate the pace of Egypt's political progress.

Do not let it be supposed that, even if discussion takes this practical turn, agreement will be easy. The natural line of advance would be to follow the Indian principle of dyarchy. And no doubt something can be done in that direction. But it will be difficult to select the departments of government, which can at once be transferred to purely native control without risk not only of loss of efficiency, but of even more serious evils. The Egyptians themselves can hardly be expected to realise where their principal weakness lies. They are as a rule ready enough to admit that they still stand in need of European, and preferably of British, assistance. But the assistance which they feel themselves to require is, to use their own favourite expression, "technical"—the help, that is to say, of experts in various branches of the administration working under the direction of native chiefs. Such help, they say, and no doubt truly, they would be willing to retain, or to procure, even at a very high cost. But this does not really touch the root of the difficulty. Egypt had plenty of European "experts" in the time of Ismail. The great danger which threatens a purely Egyptian administration is not lack of technical efficiency—Egyptians can be and are being trained in that, and shortcomings can always be supplied, at a price, by

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the importation of foreigners—but jobbery, nepotism and corruption, with that oppression of the weaker classes of the community to which they invariably lead. It is against these evils that the British element in every department has had persistently to struggle. They are far from having been eradicated ; and, if British influence were to be precipitately withdrawn, they would be certain once more to gain the upper hand.

It may be said that we must after all set some limit to our reforming zeal, that it is neither practical nor yet our business to try to alter the whole character of a nation, and that, if we are going to wait till we have eradicated jobbery and corruption before we regard our work in Egypt as finished, we may wait till the Greek Kalends. Are jobbery and corruption wholly unknown in our own enlightened country ? Is it incumbent on us to provide Egypt with an administration more immaculate than her people themselves desire ? Is it not possible that the Egyptians may even prefer to be somewhat worse governed—according to our standards—by their own countrymen than better governed by strangers ? May it not be worth while to buy contentment at a certain sacrifice of efficiency, even if the lessening of friction, which contentment is calculated to bring about, does not itself make for efficiency in the long run ? No doubt there is great force in these arguments. But it is all a question of degree. Certainly we cannot afford to strive for ideal perfection. But neither can we afford wholly to withdraw our guiding hand, until there is a reasonable chance that our withdrawal will not be followed by a recurrence of too many of the old abuses. Maladministration, if it reached a certain point, would certainly result, as it did forty years ago, in the complete breakdown of social order. And such a breakdown in a country like Egypt, where foreign interests are so manifold and so important, and where foreign residents are numbered by the hundred thousand, would threaten the peace of the world.

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If the international aspect of the Egyptian question can never be left out of mind, no more can certain recent changes in the internal condition of the country. New economic and social problems loom ahead—the outcome of its astounding, if precarious, advance in material prosperity. Egypt is above all an agricultural country, and in the last year or two the value of her agricultural products has risen by leaps and bounds. Cotton, by far the most important crop, which used to sell for £3 or £4 a cantar (cwt.), has jumped up to as much as £20 and £30. Good agricultural land has been known to fetch as much as £500 an acre and even more. Enormous fortunes have been made by land-owners, merchants and speculators. But the majority of the people have benefited little by this phenomenal increase of wealth; indeed, not a few of them are actually suffering from it. The poorer class of the townspeople are brought to the verge of starvation by the rise of prices. In the country districts, while freeholders, large and small, are exceptionally prosperous, great numbers of the fellaheen, who own little or no land but live by cultivating a few acres hired from their wealthier neighbours, are threatened with an enormous rise of rent. From one cause or another the great accumulation of riches throughout the country is singularly ill distributed. And herein lies a great danger. Fabulous fortunes and unbridled luxury present too glaring a contrast to the extremely low level of comfort, and even decency, on which the mass of the people still live. Under these conditions even the most primitive race must feel some stirrings of that social ferment which is agitating all the more advanced countries of the world. And, as a matter of fact, the yeast is already working. Strikes, formerly unknown in Egypt, are now of constant occurrence in the towns. It cannot be long before the movement of revolt against the gross inequality of social conditions extends to the crowded population of the country districts. We are at the beginning of a new chapter in the history of Egypt. Nothing is more probable than that in the

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next decade the political controversy, which has hitherto occupied the stage, will be submerged by the Social Question.

The imminence of these troubles calls urgently for measures of social reform, enabling the mass of the people to benefit in some measure from the opportunity of bettering their condition, which the increase of national wealth affords. Public Health, which is still in an appalling state, the Land Laws and the distribution of land, Municipal Government, Elementary Education—these are some of the things which need to be taken vigorously in hand, and they must be dealt with in a very broad and liberal spirit. They all involve the expenditure of a great deal of money. And the money is there in abundance, but it cannot be drawn out of private pockets, which are nevertheless often so full as to be a perfect curse to their owners. An inadequate and inequitable system of taxation blocks the road to reform. But this cannot be put right as long as foreigners, however wealthy, are exempted by the Capitulations from having to contribute to the cost of public services, even of those from which they themselves derive the greatest benefit. This is one of the strongest reasons why the antiquated system of the Capitulations, which not only in this but in many other respects impedes the progress of Egypt, should be got rid of, and some better method of safeguarding legitimate foreign interest substituted for it.

In view of all these difficulties, with which a purely native administration would not be competent to deal, Egypt cannot afford to dispense with British assistance. But that does not mean that things can go on just as they are. On the contrary, it is more than ever necessary to put an end to the ambiguities of the constitutional position and to the growing tension between British and Egyptians, which threatens to paralyse the administrative machine. No Government can tackle problems so delicate and complex if it is a house divided against itself. Co-operation is essential, and hearty co-operation will only

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be possible when the respective rights and responsibilities of all parties have been clearly defined. Egypt stands greatly in need of an Organic Law. The limits of British control, the relations of the Egyptian authorities to one another, the privileges of foreigners—all these require demarcation. The British Government, by their recent despatch of a Special Mission to Egypt, have shown that they at least realise the necessities of the situation. Whatever the outcome of that Mission, it is certain that the constitution of Egypt cannot be left in its present indeterminate and unsatisfactory state.

Enough has been said to illustrate the pitfalls by which the introduction of the necessary changes is beset on every hand. And yet we must not let these difficulties discourage us overmuch. The problem is not insoluble, if only it is approached in the right spirit. This is not a matter for bargaining. The settlement of it ought not to be a haggles, one party trying to grab as much as it can, the other to yield no more than it is obliged to. Rather should British and Egyptians alike regard themselves as associates in a difficult enterprise—the elaboration of the best practical system of government for Egypt. There is one test only—the good of Egypt—by which every point of difference regarding the distribution of political power should be tried. That Egyptians should want to be masters in their own house is most natural, and we have no desire to prevent them, provided that the house is kept in reasonable order. The genuine independence of Egypt, within the British ring fence, is an object at which we too should aim.

But if Egyptians are to believe that we are really sincere in these views, something more must be done on our side. The vague expression of good intentions is no longer enough. A definite scheme needs to be put forward, showing how far we are prepared to go at once, and under what conditions we may go further hereafter. For then moderate Nationalists will have something to work for. They will be able to come over to the side of Government without exposing themselves

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to the charge of want of patriotism, and may even succeed in persuading some of those, who are now wasting their time in barren polemics, that it is only by co-operating with the British and not by seeking to thwart them that Egyptian Nationalism can ever hope to attain its legitimate ends.

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ON the evening of March 19, 1920, by a vote of forty-nine to thirty-five, the Senate of the United States refused for a second time to authorise President Wilson to exchange ratifications of the Treaty of Versailles. The President may, but probably will not, further humiliate himself and the country by submitting the Treaty once more to the Senate's treatment. Such a step would be useless unless he should accompany it by a gesture of generosity toward his political enemies. Magnanimity is rare in human conduct, even when the healing of the world waits upon it. Lincoln might have spoken the word, perhaps no other man but Lincoln. Those who claim to know the temper of the American people believe that even to-day President Wilson could recapture the imagination of the country, secure a prompt ratification, and win a striking political victory if he should return the Treaty to the Chairman of the Senate Foreign Relations Committee with a magnanimous message, admitting his own mistakes and asking for a truce in the political battle which has jeopardised the honour of America and plunged Europe deeper into chaos. Other persons, less expert in national psychology, but better judges of individual character, assert that the quality of magnanimity is lacking in the President's nature, and that even though he might be inspired or persuaded to take such a step, the bitter and longstanding hatred of the opposition Senators would make his capitulation useless. From time to time a rumour has rippled over the face of the Press that peace might come through a joint resolution of Congress. The argument is simple and plausible, but it may be doubted if it is practical.

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Aside from the fact that a joint resolution probably could not carry over the President's veto, the Democratic party out of loyalty will have nothing to do with it. It might also be questionable strategy for the Republican party to risk it at this juncture.

I

THE United States has thus found not "Peace without victory," but victory without peace. She alone among the world Powers is still at war with Germany. Her troops are on the Rhine, but under the terms of the Armistice: British and French troops in the same territory are operating under the terms of the Treaty of Versailles. The Department of State will not *visé* passports of American citizens who wish to travel for business or pleasure in enemy territory, while French, British and Italians pass freely in and out of Germany and Austria. Extraordinary war boards are still in active existence, extraordinary war legislation is still effective, and both these vexations are terminable only by a Presidential proclamation that the war is ended.

Not only are the people harassed by the continuation of war-time conditions long after hostilities have ceased. They are perplexed about the status of the United States. Europe, restive and resentful over America's withdrawal from the post-war settlement, is confused by the several conflicting positions taken by the American authorities. The people of the United States share their perplexity. They cannot understand the theory which gives their country an "unofficial" representative on the Reparations Commission, and allows him to appear in the conferences of the Allied Ministers as an "interested observer," yet precludes him from taking even an unofficial part in such things as the proposed Russian investigation. Officially the United States refuses to join the League of Nations; but the same Senate which rejects the League passes a

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resolution indicating sympathy with the aspirations of Ireland, whereas the only diplomatic channel through which that sympathy can be rendered effective is through the League. Apparently the United States is not prepared to assist in the Turkish settlement, either by counsel or by accepting a mandate, yet Ambassador Gerard, "speaking on behalf of 20,000 ministers, 85 bishops, 250 college and university presidents, and 40 governors," protests to Mr. Balfour against the imagined intentions of the Allies toward Armenia, and the President himself has recently registered an emphatic dissent to important features of the Turkish Treaty. Europe can be no more puzzled by these strange contradictions than are the Americans themselves. Their President is a broken man, their State Department is crippled, their legislative bodies are caught in the toils of war-bonus agitation. There is no apparent direction of foreign policy. It is confusion worse confounded.

They are perplexed by their situation, and they are chagrined. It does not particularly interest them that they are said to have lost the good opinion of other nations. It is a regrettable circumstance, perhaps, but beside the point. What troubles them most of all is the haunting sense that they have lost their own self-respect. Out of 31 editorials published in as many papers of the country immediately after the Senate fiasco, one may perhaps be cited. It is taken from the *Atlanta Constitution*, and it is representative of them all:—

As much as the final rejection of the peace treaty by the Senate is to be deplored, the American people and the world have at least the consolation of knowing now precisely where this country stands in its relationship toward the rest of mankind. We of the United States now have the satisfaction of knowing that so far as team-work among the enlightened nations to the end of reconstructing and pacifying the world goes, we, for the time being at least, are out of it. Our status is fixed, so far as the present Senate can fix it. We are left in the attitude of having turned tail and fled from the situation which we, more than any other nation involved, were instrumental in bringing

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about. The anarchy in Russia ; the revolutionary turmoil in Germany ; the famine that is killing thousands in the Near East ; the chaos that exists in the new Slavic nations ; the controversy over Fiume ; the domestic difficulties with which Great Britain is struggling ; the industrial and economic unrest that prevails in our own country, in Italy, in France, in South America, in practically every other nation—it is all due primarily to the fact that the Republican machine politicians and a few soured Democratic Senators have for the greater part of the last year been playing cheap politics with the peace treaty and the League of Nations Covenant.

II

THIS is stirring self-denunciation, but what does it signify ? Are the American people, after all, eager to accept international responsibilities ; or, if not eager, are they ready to shoulder them in the spirit of duty ? And did “cheap politics” prevent the realisation of this desire or the acceptance of this duty ?

It can serve no useful purpose to recount the successive stages in the Treaty's defeat. On the other hand, certain things may be said in summary.

The Senate, it is said by the President's friends, fiddled while America burned with righteous indignation. Yet if ever a signal was lifted to fiddlers it was lifted by the President himself in October, 1918. Till then the war had been conducted on a non-partisan basis. To be sure, Root and Roosevelt had been slighted, Taft had not been used to the limit of his ability, and in the judgment and language of the country Leonard Wood “had been given a raw deal.” These grievances however, were not voiced, nor would the public have listened to them. The people were united to win the war, and for the most part the Administration justified their support ; but from that day in October, 1918, when Wilson broke truce and appealed to the country to return him a Democratic Congress every element of political hostility was released and ruthless. So far as the Senate was concerned, this hostility crys-

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tallised in two party groups, each aiming to secure a political victory, each unwilling to compromise, and each hopelessly deaf to the importunities of their country and of the world. Into this *impasse* strode the Irreconcilables, and imposed their purpose upon the overwhelming majority of their colleagues. To this extent "cheap politics" were responsible for the event.

Nevertheless, one may venture to assert that the final vote in the Senate corresponded roughly to the opinion of the people. Forty-nine Senators wanted ratification with substantial reservations which would "safeguard American principles and interests." Twenty-one preferred the Treaty and the League in their original form, or with interpretative reservations of an unobjectionable character. Fourteen Senators would have rejected it openly and brazenly, a few because they hated Europe and all its works, a few because they hated the President with a hatred that passeth understanding, most of them simply because they were irreconcilable. As in the Senate, so in the country, an overwhelming majority of real as opposed to "hyphenate" Americans, wanted ratification in some form. The American Federation of Labour had gone on record in its favour. Churches, colleges and chambers of commerce had deluged the Senate with petitions demanding a prompt settlement on any reasonable basis. But as in the Senate, so also in the country, a majority within a majority wanted to "Americanise" the Treaty. The bitterest critics of America's position have seized upon this characteristic expression as evidence not only of provincialism, but of a kind of Prussianism. America, they say, would impose her own brand of "Kultur" upon the rest of the world. The word "Americanise" may perhaps be open to such an interpretation, but those who use it have no such meaning in mind. They mean only this—that regardless of the obligations which may be assumed by other signatories to the Treaty of Peace and other members of the League of Nations, America's ratification must be qualified by

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confining her obligations within limits imposed by the Constitution of the United States, by her traditional principles of foreign policy, and by the disposition of her people. The plain citizen feels that though it may be dishonourable to fail to ratify the Treaty and fail to join the League of Nations, it is far more dishonourable to sweep magnificently into an association of nations with professions of high intention and full co-operation, without giving honest notice of the limits within which co-operation must be contained.

Article X. has been and always will be the stumbling block. Patient and learned friends may explain until the end of time that a Treaty of Peace ratified by the Senate becomes a part of the legislation of Congress and is therefore subject and subordinate to the provisions of the Constitution. Their patience, their learning and their ultimate exasperation cannot shake the conviction of a majority of the people that an American representative on the League of Nations Council would have power to take the United States into a war for the enforcement of the guarantee provided by Article X. Until a reservation is appended which gives clear notice to the world that no action can constitutionally be taken by the United States under this Article except by Congress, the Covenant of the League of Nations will remain unacceptable.

Even with this change it will be a significant moment in the history of the United States when she becomes a member of the League of Nations. In one of the opening sentences in the second chapter of "The Responsibilities of the League," Lord Eustace Percy writes: "America's participation in the war and President Wilson's leadership in the preparation of peace have aroused expectations which it is neither in the power of her statesmen nor in the mind of her people to fulfil." So far as the American people were concerned, the war was a brilliant but unnatural episode in their national life. Beyond the definite object of defeating the Germans and the indefinite object of

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“making the world safe for democracy” they never really thought. They regarded victory as an end in itself and not as the first step to peace. They entered wholeheartedly into a war that was to end war, but just how or at what further sacrifice this desirable result was to be attained they could not say. They were aware of the fact that a League of Nations would appear on the agenda of the Peace Conference, but if they visualised the League at all, they pictured it as a glorified Hague Tribunal which might possibly discuss and recommend a programme of proportional disarmament.

No enemy of the League has concretely shown a more plausible way of ending the war and of making the world safe for democracy than through the Covenant of the League of Nations. Yet, at the moment of entering upon the logical fruits of her participation in the war, America hears strangely familiar voices whisper to her that it is not an association of sovereign powers but a super-state; that it is an “entangling alliance” of the most sinister sort. And a nation whose whole tradition has been one of isolation and security hesitates and holds back. Europe bitterly reproaches President Wilson for his alleged misrepresentation of America’s attitude. France complains that after she had surrendered her own security in order to gain the support of the United States, the United States abandoned her. Italy asserts that she yielded many just claims in deference to the wishes of a faithless nation. And England, who was prepared to give up the principle of the balance of power in Europe in exchange for an Anglo-Saxon League of Nations, now feels that the United States has “let her down.” Better might these peoples reproach their statesmen for their unabashed ignorance of the Constitution, the traditions and the disposition of the United States.

How does all this agree with the quotation from the *Atlanta Constitution* and similar expressions of editorial opinion which appeared on the day following the Senate’s

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failure to ratify the Treaty? It does not agree at all. There is no more consistency between these two views and the tendencies they represent than there is between any two conflicting tendencies of human character. One is the expression of an impulse born out of participation in the war, partly humanitarian in its nature, calling the United States to assist in the relief and reconstruction of the world; partly an impulse which springs from a sense of honour, reminding her of the community of interest which she felt with the Allies during the last years of the war; partly a romantic impulse, which summons her to greater power, fresh fields of adventure, new markets, and extended trade. There lies the prospect—unselfish, honourable, romantic and profitable. Against this another force is working in the mind of the country and in the mind of almost every citizen in spite of the idealistic impulses freshened by America's part in the war. *Coelum non animum mutant qui trans mare currunt*. It is the instinct of security, handed down as a heritage from those early settlers of the seventeenth century who found refuge in the United States from the persecution of Europe, a heritage transmitted to them through generations of pioneers who built stockades for defence against the Indian tribes. It is the legacy of Washington and of Monroe. It is the legacy of Daniel Boone, the great pioneer in the colonisation of the West. It is revived by the feeling that Europe might easily embroil the United States in European affairs, that she might be glad of an opportunity to use the money, the prestige and the military power of the United States for her own purposes; and that the diplomatic skill of American statesmen is not the match for European intrigue. The first impulse by itself would have led the United States to accept the Treaty in its original form. The instinct for security alone would have led to a prompt rejection. The Treaty with reservations is the resultant of these two forces in conflict. Expressed in impressive terms, it is the conflict between nationalism and internationalism. One may

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read about it at length in the books. Or it may all be found in a verse which runs :—

“ Mother, may I go out to swim ?
Yes, my darling daughter !
Hang your clothes on a hickory limb,
But don't go near the water ! ”

III

THE most ardent advocate of the League of Nations is now convinced that there must be reservations. What he most fears is the slow but unmistakable trend which indicates that even ratification with reservations is of doubtful issue. He has seen the impulse toward co-operation in a plan for the improvement of international relations grow weaker, and the instinct for isolation and security grow stronger, not only because of a natural reaction after the war, but also because of certain circumstances which have exerted an influence in that direction upon the minds of the American people.

First of all, the terms of the Treaty have been the subject of severe criticism. Official discussion, particularly the Senate debates, has exhibited very little of this spirit. Except for the Shantung settlement, their attention has been mainly devoted to an examination of the articles of the Covenant. This very fact, this lack of the background of previous public discussion has greatly intensified the influence of Keynes' "Economic Consequences of the Peace" upon the minds of the people. It was first in the field of intelligent criticism, and more than 50,000 copies have already been sold in the United States. Though the majority of its readers remember the personal judgments which Keynes indulges in better than they remember his coal figures, his book is summarily regarded as a complete revelation of the "enormities of Paris." Keynes' attack was doubtless intended to stimulate the

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English-reading world to a realisation of the continued need for international co-operation in the liquidation of war problems. Its effect in the United States has been just the opposite. It has confirmed their instinct toward security. It has confirmed their feeling that the problem is essentially a European problem after all, that it is an affair in which they do not wish to be further embroiled, that England and Europe want America's help merely for the sake of the financial assistance she might render, and that the failure of the American delegation in Paris to secure a settlement that would be workable from an economic standpoint proves conclusively that American statesmanship is no match for the intrigue of foreign chancelleries.

Again, the social and economic situation existing in Europe at the present moment is not of a kind to call forth America's finer impulses. It is tragic, to be sure, it is disastrous, and there is every disposition to lend generous assistance through private channels. It is not necessary to name more than the Joint Distribution Committee, the Near East Relief Committee, the American Friends' Service Committee, the Committee for Ukrainian Relief. These are prominent examples of the innumerable societies which are freely giving hundreds of millions of dollars to relieve the misery of Europe. It is, perhaps, not realised that Mr. Hoover's organisation, the American Relief Administration, is feeding 2,715,000 under-nourished children of Central Europe day in and day out with funds derived from private gift. The United States Grain Corporation, with the generous assistance of British shipping, is to-day "selling" 5,000,000 barrels of soft wheat flour to Poland, Austria, Czecho-Slovakia and Hungary on "credit" terms that have not yet been arranged.

This matter of European relief, however, is essentially a private enterprise. The action of the United States Treasury in refusing to extend further loans to European Governments indicates the line where America's generosity

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must end. When it does end the interruption seems to be marked with a certain vigorous quality of expression. Witness Secretary Houston's recent statement before the Chicago Chamber of Commerce: "We have greatly aided Europe since the war. We have extended credits amounting to \$4,000,000,000, but direct Government loans have ceased, except so far as present commitments are concerned. . . . Simply because of what this country did during the war some European nations seem to think that we should solve all their problems now." It is commonly felt in other places than Washington that European countries must find their own feet, reconstruct their finances and their systems of taxation, reduce their expenditures for military establishments and operations, and get back to production. The attitude taken by the Treasury Department is not inconsistent with private relief, and such relief will continue for many months to come. But generously disposed givers are somewhat shaken in their faith when they read statements like the concluding paragraph of Sisley Huddleston's article in the *Atlantic Monthly* for May, 1920:—

Turn where one will, one finds only that the war has worsened mankind. Those who speak of the heroic virtues which are born on the battlefield, which spring, like the Phœnix, out of the ashes of war, are uttering the most stupid claptrap. The dominion of darkness has spread over Europe, and a slimy progeny of cruelty, of bestiality, of insensibility, of egoism, of violence, of materiality, has crawled into the light of day—a noisome brood, of which it will be long before we can dispossess ourselves.

A statement of this sort sent to America from Europe makes one wonder whether Secretary Houston's description of the policy of European relief by Government credits is not equally applicable to private assistance: "As if we should send good money after bad—into the bottomless pit."

There are also domestic difficulties in the United States which tend to divert attention from Europe toward those things which are nearer to men's "business and bosoms."

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The passage of the Eighteenth Amendment and the consequent enforcement of National Prohibition has necessitated a readjustment in many men's lives which occupies their thought to the exclusion of everything else. Prohibition continues to be one of the chief subjects of discussion in every circle of society. There are problems of character common to all nations which shared in the war—the increased cost of living, the relations between capital and labour, retrenchment in national expenditure, the morbid fear of Bolshevism, and, over the border, Mexico, now shaken by a fresh revolutionary spasm. As in other countries, these matters are always in the front of the picture to the obliteration of more distant things. In addition, certain indications from abroad threaten to disturb the delicate balance between the two conflicting purposes which are struggling to dominate the decision of the United States. They had best be summarised in a word: A League of Nations has been established, even without the adhesion of the United States. What evidence is there that the existence of the League has changed the traditional conduct of its constituent members? Has it given proof of a disposition on their part to make it an instrument for healing the world? Possibly a policy of moderation almost to the point of self-effacement is and ought to be the present policy of the League. Yet the question arises whether a more positive and independent attitude on its part would not have dispelled a fear that Europe is reverting to those practices in diplomacy and trade which she disavowed in Paris. A manifestation of the League might have gained greater favour in the suspended judgment of the United States than its apparent policy of "watchful waiting." America's temperamental conduct has been deferred to. Her better impulses have grown jaded. They needed to be challenged, and for lack of that challenge they are dying out.

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IV

WHEN Mr. Borah of Idaho stood in the Senate in July 1919 and announced that he would fight the League of Nations to the bitter end, his impassioned speech was greeted with amused tolerance. For in spite of certain differences of opinion between Wilson and the opposition Senators, ratification in one form or another seemed inevitable. Predictions were upset by the event of March 19, and since that time political prophets have become exceedingly cautious. Until mid-April it was the guardedly expressed opinion that the Treaty would ultimately be ratified; that the step would be taken reluctantly and rather by way of the discharge of an overdue obligation; that there would be substantial reservations with respect to the preservation of political independence and territorial integrity even "as against external aggression"; and that the United States would not accept the strange and distant responsibility of a mandate. Just how and when this qualified decision would be taken your cautious prophet was loath to predict. Not this summer, he thought, because there appeared to be little chance of the Treaty's re-submission to the Senate. Nor this autumn, as the direct consequence of a "great and solemn referendum," because though the unimportant differences between the majority of Republican voters and the majority of Democratic voters might be fashioned into an issue, that issue would be lost in the multitude of matters upon which the electorate would be compelled to pass judgment. If the generally expected Republican victory should occur in November, it was thought that the party might reassert the principle of expansion which formerly distinguished it from the Democratic party; that it might resume the mantle which for three years had rested on unaccustomed shoulders. Thus a ratification of the Treaty by a Republi-

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can President and Congress with reservations similar to those sponsored by Senator Lodge would be the probable outcome.

This prediction was based upon certain deductions from what was regarded a few weeks ago as an axiom—that nothing could stem the triumphant progress of the Republican party to victory in November. The Democratic administration was increasingly unpopular, there were evidences of dissensions within the party itself—between Wilson and Bryan, between Senators Underwood and Hitchcock, between Senator Reed of Missouri and the whole party—and no Democratic candidate of pre-eminent ability was in sight. These circumstances tended to confirm the view that even though the Republicans might nominate King Log himself, he would be borne into the promised land on the shoulders of an overwhelming majority, and would amiably preside over the affairs of the country for four fat years of plenty. Leonard Wood and Hoover, to be sure, were both honourable men, and they were supported by substantial elements in the community. But they were not really of the party, and the hour had struck at last for the office to be bestowed upon an experienced party man, say a Lowden or a Harding, say Governor Sproul of Pennsylvania—all good Republicans, and “bridle-wise.”

The prediction was also based upon the not unnatural assumption that the national elections would be held in November, and that the contest would be between the two great parties. Then came Hiram Johnson, and, like his colleague in Irreconcilability, Senator Borah, he upset every calculation. Johnson is a Republican, but he is little loved by the leaders of his party; for it was his rebellious Progressivism which gave the State of California and victory to Wilson in 1916. His large frame, large features, and positive personality make a strong appeal to an electorate which likes to “look over the candidates and size them up.” He is a man of strong convictions and vigorous

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language. He is outspoken in his dislike of other people than Americans, in his distrust of the motives of other nations, and in his unqualified antipathy toward Great Britain, Japan and the League of Nations. Beneath his banner march the discontented. His criticisms on Great Britain have made him the "favourite son" of Irish-Americans. He has won the German-Americans by his uncompromising hostility toward the Treaty. He has swung the labouring classes to his support by tempestuous charges against capitalists and profiteers. Moreover, because he alone among public men stood out against the Allied policy of intervention in Russia and for the prompt withdrawal of American troops from that country, he is acclaimed to-day by thousands of citizens who privately questioned the expediency and the political morality of that strange and unproductive adventure. He is, of course, the commander-in-chief of those who oppose the League ; but he is also supported by many men and women who have no strong sympathy with his political views and no community of interest with any group in his varied following. Nevertheless, they admire his courage in speech and in action, and believe with him that the day of the domination of party machines is done. As a matter of fact, however, he has chosen to interpret the unexpectedly large votes which he has already polled in certain State primaries solely as an indication of sentiment against the League. On that basis he will make his fight in the Republican Convention, and owing to his strong personality and his striking preliminary successes he will be a prominent figure. The issue of the League has been raised, therefore, not as between the Republican and Democratic parties nor in the great and solemn referendum to which the President would wish to have it referred. The issue has been raised within the ranks of the Republicans, and the question of America's relationship to the League of Nations will be decided in June on the floor of the Chicago Convention. Like Johnson, Herbert Hoover is a Republican and a

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Californian. But so important is the sentimental factor in American elections that Johnson would promptly add that he himself is a "native son," whereas Hoover has been a Californian only since boyhood. Like Johnson, Hoover is not in favour with the Old Guard, the inner circle of the Republican machine. Their party objections to Hoover spring from a letter made public soon after Wilson's appeal for a Democratic Congress in 1918, in which Hoover seemed to support the President's request. The hostile attitude of Republican leaders toward both Johnson and Hoover, while based to some extent on these alleged violations of party faith, is perhaps more deeply founded on a fear that neither one of them would prove amenable to party discipline. More serious sins than those imputed to these two candidates have been quickly forgotten in the history of politics when it was expedient to forget them. Outside these superficial points of likeness Hoover has nothing in common with Johnson. He is no speaker. Indeed, he is a notoriously poor speaker. He stands on the record of his colossal achievements alone. He has none of Johnson's power of swaying crowds with his spoken word; on the other hand, no political aspirant since the days of the Lincoln-Douglas debates has given indication in his public statements of such a profound grasp of the nation's problems and needs as Hoover appears to possess. In his economic and social views he is neither radical nor reactionary. He is positively hostile to extremists of every sort. His record as Food Administrator and Director-General of Relief is evidence of his remarkable ability as an executive. He is an expert in foreign affairs. It may be his very knowledge of these matters, or it may be some characteristic transmitted from his Quaker forebears which makes him the outstanding champion of the League of Nations.

Hoover's strength has shown itself, has subsided and has risen again. When first he announced that he was willing to accept a nomination the country was swept with en-

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thusiasm. Thousands of voters from both parties showed an instant readiness to support him on either ticket, or in an independent campaign. He lost a certain amount of this non-partisan support when he indicated his preference for the Republican Party, more still was dissipated when he supplemented his first statement with a "rider," announcing that he would run *only* as a Republican, and not a little of his strength has been lost because of his reluctance to carry on a vigorous personal campaign. Instead, his interests have been managed by a group of devoted amateurs, who tragically lack political experience. Oddly enough, it is Hiram Johnson who has again put strength into Hoover's hands. His own tempestuous campaign against the League has turned opposing opinion to the one candidate whose views are diametrically opposed to Johnson's. In picturesque style the Irreconcilable has promised to "carve the heart out of the League." In less vivid language Hoover has replied: "No greater mistake can be made than the assumption that our people have lost their national aspirations and idealism because they have gone back to business. . . . Our people have an ideal of world service. . . . This ideal cannot be ignored by the party. Its living force will insist upon our joining in the organisation of the moral forces of the world to reduce armament, check militarism and relieve oppression. . . . Failure to support the League of Nations with proper reservations, would be a shock to the spiritual aspirations of the American people." If they could choose between these two candidates and the views they represent, there would indeed be a solemn referendum. But the people will have little or nothing to say about it. It will be decided for them in the Republican Convention.

Leonard Wood, whose managers keep his military title as far as possible in the background, will go to the convention with more delegates pledged to support him than any other candidate can claim with the possible exception of Johnson. But Wood, like Hoover and Johnson, is an

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outlaw. His managers have violated an old tradition of the party: they have placed his name on the primary lists of certain States where he has contested a complimentary vote which that State might otherwise have given to a "favourite son." Yet in spite of this breach of tradition Wood's strength has increased. Had he been able to win enough delegates to command a majority on the first ballot in the convention, he would have justified his tactics. On the other hand, when the total number of delegates pledged to the support of any candidate falls short of a majority on the first ballot, it makes little difference whether he has arrived at the convention with two delegates or two hundred. In a sense, therefore, Wood's chances are no better than Johnson's or Hoover's. He will be judged on the basis of his unimpeachable character, his record as Military Administrator of Cuba and his reputation for far-sightedness in inaugurating the Plattsburg system of training camps before the United States entered the war. Perhaps it is more accurate to say that he is being judged in the primaries on this basis, and on the assumption that he will not permit the warfare between capital and labour to get out of hand. Whether these qualifications will be of the same persuasive value in influencing the vote of the convention is another question. For conventions have a secret and unassigned basis of their own.

It is proper to point out that all these candidates are, in varying degrees, outside the party. Whether the Old Guard will stand by its original support of Senator Harding, or its recent support of Senator Knox, or whether it will find some third "dark horse" of its own, is beyond the pale of prediction. It may be said, however, that the organisation was never so hard put to find a candidate of their own who could carry the convention against the candidates of the people. In the end, they may be forced to yield to this unprecedented demand for the nomination of a candidate of independent mind.

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This discussion has been confined to a consideration of the present position of Republican candidates only. The necessity for this arises partly from the circumstance that the Democratic Party has not yet found the man or men of its choice, partly from its inability to contest the November elections with any great show of strength, but most of all from the fact that the real issue—the issue of America's participation in the League of Nations—will be settled in the Chicago Convention. If Johnson should win it would spell the Treaty's defeat. If Hoover should win it would mean a resounding victory for the League. If Wood should gain the nomination it would indicate a reluctant willingness of the party to accept international responsibility. What it would mean if the Old Guard's nominee should prevail cannot be estimated until their candidate is known.

V

AMERICAN idealism is not yet destroyed. The question of America's participation in the League of Nations was not settled by the Senate's failure to ratify the Treaty. The people have wished to end the issue and forget it ; but, like the ghost of a departed friend, it comes back to counsel with them. It will take serious counsel with that most sceptical of all bodies, the Republican Convention : and those who are waiting for America's answer to the call of the world will have that answer in June.

America. April 1920.

THE CASE OF FRANCE

The following article is contributed by a French correspondent and is published as an unofficial statement of the French point of view towards the German Treaty, the attitude of the Allies, and the question of reparation. The arguments, and the figures on which they are based, are the writer's, and THE ROUND TABLE takes no responsibility for them.

FRANCE has been left by the war tragically short of men, money, and means. Her trouble is not, however, confined to herself. It is part of the great problem of Europe. No nation can hope to come separately out of the chaos and misery which the war has left everywhere. It is in consequence essential to understand what claims every nation has to the co-operation of the rest, for the motto of civilisation to-day is not "Help yourself," but "Help your neighbours." The question, however, arises in what order and in what degree the help is to be given. The object of this article is to show that the fact that France's claim comes first, and in any case before that of our late enemy, was not properly realised in England until the San Remo Conference, and that it needs re-examination. It is not written from the point of view of militarism or traditionalism in Foreign policy, and no official inspiration is behind it. The points in which it and the official view agree are therefore all the more significant.

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I

FROM the first day of mobilisation until the day when demobilisation was completed the whole of our male adult able-bodied population (eight million men) was on duty, and nearly four millions were under arms. Of these 1,350,000 have been killed, and 400,000 maimed or injured. In addition, 200,000 men were partially disabled. Such was the position when we approached the hard task of national reconstruction. Though comparisons are invidious, France has sustained heavier losses than the best of her allies or the worst of her enemies. The figures are as follows :—

United States lost	51,286 men,	1 in every 2,000 of population.
Italy	465,000	„ 1 „ 79 „ „
British Empire ..	835,700	„ 1 „ 66 „ „
France	1,360,000	„ 1 „ 28 „ „

We do not forget that we were fighting to protect our own soil, for our very lives indeed, or that we would have been crushed, in spite of French heroism, but for the sacrifices of our British Allies; and, notwithstanding our losses, we are thankful for victory after the worst crisis in history and for our release from the old German nightmare.

The question now is not “Who won the war?” but “Whose wounds are the deepest?” First take the position of our chief industry. France has suffered more in this respect than any other country, for the following reason. The small landowners and peasant class had everywhere to bear a disproportionate part of the losses in the war, because in every belligerent country skilled workmen had to be kept back to make munitions, and in this way their lives were spared. Great industrial countries like England and Germany gained by this, because they saved the men who were most needed after the war for the purposes of reconstruction. In France, however, agri-

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culture is the staple industry, and on it her prosperity depends. At least one million French agriculturists were either killed or maimed, with the result that her mainstay is left to-day without labour, and the equilibrium of her economic life is destroyed. The deficit in food for 1919-1920 amounted to 8,000,000,000 francs. Before the war it was less than one million.

Next take the economic situation. In round figures the debt of France to-day is over 240,000,000,000 francs, but that is not all. In 1919 Mr. Keynes put actual damage at £800,000,000, which to-day would be 50,000,000,000 francs, or more if one considers inflated prices. M. Klotz put them at 70,000,000,000 or 80,000,000,000 francs, and more recent estimates of what it will cost to restore the damaged property, not its value, amount to 150,000,000,000 francs. Each month sends up the total, because as the rate and prices rise more bonds and banknotes are issued, and there is further inflation. Then there are pensions and allowances, which, on the 1919 scale, Mr. Keynes put at 60,000,000,000, and M. Klotz at 75,000,000,000 francs. At the present rate they come to more than 100,000,000,000 francs. Thus if these additions are made to the 240,000,000,000 francs representing the debt (devastated districts, 100,000,000,000 francs), a grand total of 400,000,000,000 francs is reached, or about 10,000 francs, (£400) per head of the population. Against this we have, of course, on the credit side Alsace-Lorraine, the Saar Basin, Colonial possessions, war indemnities, and other fruits of victory. But the indemnities are potential, and their realisation depends on others besides ourselves. The reality is different to the appearance, and indemnities are of little use if the Treaty which guarantees them is already in dispute, or if they are not available either for use or for the market. The resources of France are indeed like a huge army which cannot be mobilised, or a ship which, though it contains a rich cargo, cannot get under weigh for want of men and fuel.

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On Mr. Keynes's estimate, the total liabilities of Germany under the Treaty of Versailles amount to £8,000,000,000 (200,000,000,000 francs). This is exactly half of France's total loss. Nor has France the means with which to effect her reconstruction. By the end of August, 1914, she had lost 93 per cent. of her wool industry, 83 per cent. of her iron industry, 63 per cent. of her steel industry, 92 per cent. of her iron ore mines, 35 per cent. of her sugar industry, and 10 per cent. of her cereal production.

For the revival of industries, again, cheap coal and iron are essential. Our deficit of coal is, however, at present between 45,000,000 and 50,000,000 tons, as compared with 24,000,000 tons before the war. For want of coal most of our industries, and among them our metallurgical industries, are to-day producing only one-third of their normal capacity. German iron and steel works, on the other hand, are producing about two-thirds of theirs. For want of coal it is impossible to export steel. Even our internal needs cannot be met.

Cheap and rapid transport, though indispensable, is also not to be had, and our rolling-stock is suffering from wear and tear; the German engines which were handed over need repairs, and the spare parts were retained by the Germans. Besides this, many of our railwaymen are demoralised, and there are frequent strikes. Thirty per cent. of them, moreover, are new to their work and unreliable. If coal were to be had the railways would give 50 per cent. better results; but though they require 820,000 tons a month, only 400,000 tons are available. The quality is even more disappointing than the quantity, and there is often more than 30 per cent. of ash in the fuel. Saar gas coal is of no use, and Ruhr coal cannot be got. The coal that we purchase from Great Britain will be referred to later.

A third and worse difficulty is the shortage of merchant shipping. We were unable to build ships during the war. It has, indeed, never been sufficiently emphasised that all

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our available material and labour was devoted during the war, both before and after our Allies were ready, to munition-making. We were better equipped for it than they were, so we made guns and shells for everyone, and left it to them, and especially to England, to replace the ships that were lost. We know that England lost 7,759,000 tons gross as against 900,000 tons lost by us, but proportionately our losses were the higher of the two, being 34·52 per cent., as against 30·56 per cent., of the total shipping of the country. Though Germany surrendered to the Allies practically the whole of her mercantile marine, if the countries in which so large a proportion of it was detained during the war were to be allowed to keep it, and if the surrendered tonnage were to be distributed on the ton-for-ton principle, we, whose loss represents only 8 per cent. of the tonnage destroyed, would not get anything proportionate to our loss. Japan and the United States, it must be remembered, have doubled, or more than doubled, their tonnage during the war, and Great Britain has facilities for building quickly which we do not possess. Only 24 per cent. of our trade at present sails under our own flag, whereas Japan carries 46 per cent. of hers and Great Britain more than 60 per cent. of hers. At the present rate of exchange, indeed, the mere freight involved in making good our yearly shortage of cereals would cover 56 per cent. of our total consumption.

Under such circumstances the balance of trade is necessarily disastrous to France. She was the first to suffer from the common error of dropping some of the best instruments for economic co-operation that were a legacy from the war. The difference between imports and exports before the war was only 1,000,000,000 francs a year. In 1919 it became 1,000,000,000 francs per month. Apart from everything else, this would be enough to account for a most abnormal rate of exchange; but there are other reasons as well. It was only in the middle of 1915 that credits were opened in England to meet our expenses in

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the way of coal, freight, etc. Till then we stood alone financially, for the Americans had already refused to grant us a loan. We had, moreover, no invisible exports like freights on which to draw, so we simply had to eat up our reserves of credit, including most of our foreign securities. During the following two years England's credit filled the gap, in 1918 the United States took her place, and the two countries remained debtor to America for £1,500,000,000. After the war, however, our credit came to an end. England stopped hers in March, 1919, and the United States did the same in December of the same year. We were duly warned, and internal conditions in the two countries made it inevitable; but the stoppage came at the worst possible moment for France. If the idea of our Allies was that the financial clauses of the Peace Treaty would suffice to restore French credit, it is surely out of the question to consider revision. On the other hand, if the Treaty will not work, how can financial solidarity be abandoned?

As a result of the stoppage of credit, inflation, already dangerous, got worse. 38,000,000,000 francs in bank-notes and 50,000,000,000 francs in Treasury bonds are now in circulation in France; 12,000,000,000 francs remain in bank depots. Nobody will deny that public extravagance after the armistice was criminal folly. Still, if our Allies relied upon the Treaty to enable them to dispense with continuing their credit, we may perhaps be excused for having for a few months failed to look ahead. Besides, we paid in French money for the American Army's expenses in France, and about one-third of our huge fiduciary circulation is due to this. Notwithstanding the fact that it was deducted from our debt to America, it has helped to swell the inflation.

Whatever the causes, the present rate of exchange is a calamity. We are facing the danger, so there is no need to minimise it, and a later section will explain the way in which we hope to avert it. All the same, it is heart-

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breaking to see the franc humbled before the money of countries which before the war were almost bankrupt. It protects industries against foreign competition, but home industries cannot work without the cheap coal, the cheap freight and the raw material which are at the present rate of exchange out of our reach.

The situation is made full use of by mischief-makers. It is suggested in propaganda that we are financially blockaded by our Anglo-Saxon Allies, and "Blockade through Exchange" is one of the catchwords of cheap journalism.

Such is our economic position. Compare it with that of Germany. On April 19th Dr. Wirth, "Reich" Finance Minister, speaking before the Budget Commission of the German National Assembly, used the following words: "From my calculations, our various debts amount to 197,000,000,000 marks." With his tongue, no doubt, in his cheek, he added that "it was not a consolation to reflect that French obligations reach a still higher sum, and are estimated between 200,000,000,000 and 400,000,000,000 francs." And yet we are asked to consent to revision. Whatever its faults, the Treaty at least has the advantage of fixing upon Germany the responsibility for a future tribute. Even Dr. Koester, the German Foreign Minister, recognised, as Dr. Scheidemann had already done, that "revision is only possible through execution."

II

WHAT then ought we to have done and what have we actually done to meet our financial difficulties? The answer is as follows. During the war and until January, 1919, we did everything in our power. After the armistice in 1919-20 we did much less than we ought; but since January, 1920, we have done all that we could or ought to have done. In 1913-14 we raised 110,000,000,000

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francs, in 1918-19 240,000,000,000. We had indeed doubled our taxes, though we did not tax ourselves so heavily as Great Britain and got less from war profits and income taxes: still, your industries and trade were not crippled, nor were you invaded up to one-fifth of your territory and to one-half of your industrial capacity. Besides, the British taxpayer must remember what we contributed to his own war profits and income tax by our freights and banking custom, and last but not least by our purchases of coal. Direct taxation in France rose from two per cent. to twenty per cent. during the war, and the reason why the rise was not higher and did not take place at an earlier date was because we were and still are crushed under indirect taxation.

The outbreak of the war caught us in the middle of a formidable reorganisation of our public finances. It was like having to change horses in the middle of a stream. The income tax law came into force in January, 1916. We had previously relied on the four old contributions, and the new tax amounted to a financial revolution in the middle of a war. Every sort of difficulty had to be met. It was, for one thing, intensely unpopular. Then over 3,000 tax assessors were wanted, yet only 500 remained available, and out of 5,000 tax collectors more than 1,500 were mobilised. There were all sorts of other obstacles, and the tax will in any case probably never bring in the return that it does in Great Britain, because we are a country of small fortunes.

And if, after the armistice, we believed that Germany was going to pay the bill, who was to blame? The answer is not only our own Government but all the Governments. Remember the war cry at your elections and the public speeches during and after the peace negotiations. Your people did not altogether believe them: but we did, and we lost a year through it. German propagandists and neutral "friends" are busy to-day with insinuations that your Government intended to lull its allies into a false

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security so as to leave Europe at its financial mercy. The same suggestions are even found in reputable English newspapers.

Since June, 1920, however, when the Treaty came into operation, we have not waited for the writing on the wall. Many things showed that the Germans meant to evade it, and that a large part of British opinion backed them, so the Finance Commission of the Chamber set to work and their proposals are already adopted. They may not go far enough, but they increase our total revenue and taxation by 85 per cent.—*i.e.*, 8,500,000,000 francs. This conclusively shows that France has the "grit" with which to work out her own salvation. The idea of a capital levy is also fast gaining ground. Those who wonder that only one-fourth of our revenue comes from direct taxation must remember that big pockets are scarce in France. It is a country of small holders and small fortunes.

In spite of unfavourable conditions, every kind of income tax was doubled in April, 1920, and all our succession duties were increased 50 per cent. War profits were super-taxed, and are expected to bring in 8,000,000,000 francs. The holder of what is a big fortune for France—*i.e.*, anything over £80,000—will in future pay by direct taxation 54 per cent. of his revenue, and if he has no children it may amount to 80 per cent.

We know that there is a great deal more to do, but the distribution of the burden must be our own affair. It is enough for our Allies to know that it has been shouldered. France has this year agreed to pay, in place of Germany, twice as much as last year and exactly four times as much as she did before the war. Thus our normal permanent expenses of 18 to 19 million francs will be met out of revenue.

The balance of trade is improving at the same time as the return from taxation. During January and February imports went down 25 per cent. and exports increased 200 per cent. All imports of luxuries have recently been

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stopped. If we had only our debt and current expenses to cope with France would soon be out of the wood.

But there are other burdens. One of them is at least as great as our current expenses, and ought in common justice as well as by the Treaty to be borne by Germany, or, if she fails, by the other signatories as well as by ourselves. It is the restoration of the devastated territories during the year 1920. It comes to 20,000,000,000 francs. The other amounts to 10,000,000,000 francs, and consists of extraordinary and non-recurrent expenses due to the liquidation of war, military and diplomatic credits abroad following resettlement and reconstruction of state enterprises and public works. Neither of these items appears in the ordinary budget. The first was left out because it is due from Germany. The second we had neither the heart nor the means to tackle this year, and we will have to resort again to Treasury bonds and loans. Meanwhile, the work of restoration has to go on, and we are obliged to borrow at a rate above what is fixed in the Treaty to pay what Germany owes. Hence our anxiety and bitterness in any matter that affects the execution of the treaty—especially reparation.

III

IT is now necessary to consider the drastic but indispensable remedies that were provided by the Treaty of Versailles to meet our losses in men and money, and to provide us with the means of restoration. Germany undertook to disarm, to pay, and to restore.

If she had accepted her obligations in spirit, however haltingly, and if she were even beginning to give effect to them, we should now be well on the way to recovery. The Treaty was, however, cried down by Englishmen—not the naval and Colonial clauses with which they were specially concerned, but in three respects, in all of which the Treaty

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is essential to the future of France. It was said (a) that disarmament of Germany to the extent contemplated in the Treaty would leave her a prey to revolution, (b) that the payment of what was due under it would mean her ruin, (c) that if she supplied the means of restoration she would be exhausted.

Particular stress was laid on the last two points, and a large section of the Radical, provincial and Socialist Press in Great Britain not only made a set at the Treaty, but also against France herself. She had, it was said, been vindictive, revengeful, greedy and unseemly. This sort of innuendo has been known in the French Press against England, but since the war it has been less general; certainly never has it been so direct and continuous as the English fire against the Treaty. It is a great pity that for a long time this was not much noticed in France owing to the fact that the public was absorbed in the most drastically general of all general elections. They lasted from October to January. Above all, there was the bitter and hotly contested Presidential election, which had its dramatic conclusion on January 17. As a result, while English opinion was changing, French opinion remained ignorant of the fact until later on it broke upon it with the sort of shock that surprise or treachery brings. It must be remembered that for several weeks in November and December the French Press practically ceased to exist, thanks to a long-drawn-out printers' strike, which forced most of the newspapers to amalgamate into a single journal, which was naturally packed with election news. The only people who noticed the change in English public opinion were a rather independent and cultured section prone to take a bold line in social and political questions, to whom it was especially aggravating to find British liberal opinion against everything in the Treaty which was likely to help us in the matter of restoration. Allowance was made for internal strife and the sporting spirit which prompts people to shake hands after an athletic contest. Nor was it over-

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looked that a reaction had set in in England. It was, however, both a misfortune and a mistake that the French cause should become identified with what was looked upon as a personal vendetta between two individuals and two groups of newspapers. All the skill and sincerity in Mr. Keynes's book, moreover, fail to make up for its political blindness and its professorial inopportunity.

The force of some of the arguments for revision was not contested, but the whole campaign was directed against the Treaty as a whole. English criticism professed to be based on a desire for peace, freedom and social progress. It is on these same grounds that we call for the execution of the Treaty. French republicans oppose leniency, not because they incline to materialism and militarism, but because they see in Germany, so long as she fails to disarm and to make reparation, the chief instrument of those very creeds. They are still the backbone of the country, and supply its only permanent political force. They are, however, gradually being estranged from international liberalism by the attitude of English liberals.

Such was the situation in January, 1920, when M. Millerand became Prime Minister. One of the causes of M. Clemenceau's defeat in the Presidential election was undoubtedly the attitude of English opinion at the time. In the second half of January and the first weeks of February, before opinion on both sides had crystallised, it might have been possible to come once for all to a better understanding. The change of personnel in the French Government could have been made the occasion for a general stocktaking. It was neglected. The professional element was already on its way to the Conference of London, and the wrangle was resumed. Then followed the two fateful months of February and March, in which it gradually became clear that Germany had decided to evade most of her obligations, and that neither the United States nor Great Britain could or would help us to face the consequences. The result was the Ruhr incident.

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The Treaty required the whole German army to be reduced to 100,000 men by March 31, 1920. On February 18, under influences which need not be specified, it was decided to grant a pressing request by Germany to be allowed to keep 200,000 men under arms until April 10. Her forces were to be reduced to 100,000 men by July 30, instead of the Treaty date. The German Government is, however, too weak to disarm, and it remains the prisoner of Prussian militarism. We had no sooner agreed to the proposal to put off the time for reducing the German forces when the militarist coup of March, 1920, took place. It was only defeated by a general strike and the rising on the Ruhr. The German army was accordingly moved against the Ruhr workmen, and it looked at one moment as if there would be a collision with our troops in the Rhine a few weeks later.

If one leaves out of account the marine brigade and other details of the Baltic division which formerly belonged to the old regular army, and which are in almost open rebellion and unwilling to be disbanded, the German forces consisted of the "Sicherheitspolizei," more than 200,000 men, the Reichswehr, more than 300,000 men, and the "Einwohnerwehr," about 1,000,000 men. The first two are disciplined and well trained. They have, moreover, by underhand means, in defiance of the Treaty, been provided with all that is wanted for a short campaign. On their own admission they have at least 12,000 field guns—probably twice as many—about 15,000 aeroplanes, instead of the hundred allowed by the Treaty, and they evade control and refuse explanations. Prussian militarism, in defiance of the German Government, is clearly preparing another war on a smaller scale, not against Great Britain but France. We yield to no one in our anxiety to disarm; but even if we kept our standing army at its old peace-time strength of 400,000 men, we could hardly cope at once with the existing German forces. We have in any event to reduce our army for financial reasons, and our decision to reduce

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our peace-time effectives had just been made public when Germany asked to be allowed to keep 200,000 men under arms. If France is to run the risk of another war, anti-militarists will join hands with the military classes, and Europe would go back to a state of things almost worse than before 1914. For this England would be largely responsible.

There were other basic difficulties connected with coal, industry, transport and finance ; but as they are now being obviated, they need not be dealt with in detail, though it took a long time for the Allies to show that they understood or were willing to mitigate them. Take the coal question. Under the Treaty we ought, for instance, to have received about 13,000,000 tons up to the end of March. This was partly reparation and in part to make up the difference between the pre-war and post-war production of the mines destroyed by the Germans in Northern France. In order to meet Germany's difficulties, we had, however, agreed to take only 6,500,000 tons. Actually not more than 3,000,000 tons had been supplied at the beginning of April, and during March the deliveries had dwindled to 500,000 tons instead of the 1,400,000 tons that were due. And yet all through these same months German iron and steel works were working faster than the corresponding French industries. The vital necessity of coal to France has already been made clear, and England knew it. Her coal was sold to us at the highest rate, 115s. a ton, which at the present rate of exchange means 250s. for us. After a controversy in which, though there was much to be said on both sides, the political and moral side of the question was ignored in England for many weeks, a promise of 18,000,000 tons per year was obtained. The price, 75s., is the ordinary price for bunker coal ; but in the absence of Treasury arrangements to palliate the rate of exchange, it comes to 180s. for us. To this freight has to be added, and also, to be perfectly honest, an amount for maladministration and excessive profits in France. In

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actual practice coal next winter will cost 600 francs a ton in Paris, which means waiting each morning for an hour in a queue to get a paper bag containing 4 lb. for a franc.

Next come ships. This question has also been settled, and generously and fairly, though we had to wait till the end of April for it. About 500,000 tons of the surrendered German mercantile marine had been entrusted to us until the final partition took place. When it came we had to hand over 150,000 tons of it to Great Britain, without knowing whether we could buy any of the German ships interned in American countries. For months Great Britain insisted on her claim. It is not for this article to go into the merits, though the spirit of the Alliance was looked upon as betrayed. We were finally allowed to keep the 150,000 tons at a cost to be fixed later, which is to be chargeable against the German indemnity. Much capital was made by grievance-makers out of the negotiations. The final settlement, which should have been used to strengthen the Alliance, was, however, hardly noticed in France outside the circles immediately concerned. The whole episode is typical of the way in which the Alliance may be damaged by internal manœuvres on both sides of the Channel.

Nothing, however, comes up to Germany's failure to begin reparation, to the growing campaign in England in favour of easing her burden, and to the resulting pessimism in France which is reflected in the rate of exchange. The 25,000,000,000 francs that were to be spent on reparation immediately after peace are already swallowed up in paying America and Great Britain for food and other necessities. The cost of the French army of occupation, which was to have been paid by Germany, is being met entirely by ourselves. We are, in fact, borrowing at a high rate and with a disastrous exchange to fulfil the obligations of the authors of our troubles. Nor is there any sign of the 50,000,000,000 francs (£2,000,000) of Treasury bonds which were to have been issued in Germany if the pay-

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ments for reparation were insufficient. In any case, who would discount such bonds? It is the same with reparation in kind, though there is nothing to stop its delivery. About 3,000,000 cattle were taken by Germany from the invaded districts, and though 233,000 were to have been replaced, at the end of April we had received less than 25,000 head.

Then take the exchange. All through 1919 the franc fell slowly, but between January and March, when it was realised that we could no longer count on English and American support to enforce the financial clauses of the Treaty or to palliate the consequences, it came down with a crash. In January, 1920, repayment was even demanded of a parcel of our Treasury bonds held by the British Treasury. It was within their rights, but it was clear that financially we now stood alone.

Again, one of the pressing needs of the moment is the production of gold. Yet no steps were taken, and gold mining in the Transvaal and elsewhere received the scantiest encouragement. At the same time all sorts of rumours were spread about the business activities of Great Britain and America in Germany and Russia, and French public opinion began to lose heart and get warped. In money matters it is, no doubt, easier to blame the unfairness of others than oneself. An unhealthy tendency to repudiate all duties and most debts was checked with difficulty, and a revolutionary ferment set in. It was said that, thanks to the attitude of our Allies, we were expected to restore Germany at our own expense, when it was to have been the other way about. This agitation was used to overthrow one of the best Premiers that we ever had. It is neither possible nor desirable in this article to go into the Ruhr incident and the occupation of the German towns, and our action has nowhere been more severely criticised than in France itself; but we had already warned our Allies, and were at our wits' end. Perhaps some kind of action, hasty though it seemed, was the only way of clearing the

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air. The matter, if not the manner, of our intervention can be justified.

At all events, Great Britain at last understood. At San Remo the situation was saved by Mr. Lloyd George and M. Millerand ; unity of action and harmony of feeling were restored, and France breathed more freely. It was agreed that Germany must disarm and begin reparation ; that she labours under special difficulties ; that there is no intention of annexing part of her territory ; that she is to come to a conference and make proposals about the total amount of the war indemnities. All the same, the question of our future relations and of making her fulfil her obligations remains unsolved. There is to be no revision, and yet a revision is invited. Such are the beauties of diplomatic language. Well, the main thing was to restore community of action, and this was done. We must find a way of putting the unity of views of the Allies into practical effect, and in future difficulties must be met before they become acute. More alertness is called for on the British side, and more coolness on our own. Our hopes must rest on M. Millerand's capacity for suave firmness and in the power of adaptive statesmanship which the world has rediscovered in Mr. Lloyd George.

IV

IF this article were for French readers it would contain a warning that it is a mistake to make too much of small incidents, and to press claim after claim on an ally's equity and sympathy as if they were indisputable rights ; that an ally is not necessarily either a milkmaid or a milch cow ; and that the success of alliances depends on the spirit in which they are worked from the top downwards ; in a word, that all human relations require nursing, and that for this goodwill and long acquaintance are a necessity.

As, however, it is meant for English readers, it is perhaps permissible to remind them that bargaining is not the same

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as either mendacity or mendicity ; that national egotism is not necessarily less irritating when it takes the form of deeds without words than when it takes the form of words without deeds ; that querulousness and even indiscretions may be minor failings compared with inattention, want of understanding, and harshness ; that efforts to bind a friend by material means always end by making an enemy of him ; that impartiality as between a present partner and a former enemy is apt to be taken for partnership with the enemy. To sum up, a stronger will to friendship is wanted on one side and more understanding on the other.

V

BUT it will be asked : " What is your own policy towards Germany ? She cannot pay unless she herself recovers. Do you propose to kick her into reaction and revolution, or both ? To dismember her Empire would bring about an irresistible and irreconcilable patriotic movement. Do you want to destroy her last chance of recovery ? The American President has charged France with militarism and imperialism. What is the truth ? " The truth is that at present there is no Germany, and consequently no policy in any of the Allied countries towards the Germans. There are only passing and successive moods. As elsewhere, there is a militarist class or spirit in France, though it cannot be called a militarist party ; but they count for little. At present it would be almost impossible to arouse warlike enthusiasm here. There is not the least chance of our activists becoming active unless economic distress were to cause their activity to take a military direction as the only alternative to economic dissolution or social revolution. In that case it would look towards the Rhine and nowhere else. France can, however, be relied upon to keep the peace. She has suffered enough. After her achievements a certain amount

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of pride would be excusable, but our economic situation saves us from any temptation to try to rule the world. Her first duty and necessity are to concentrate rather than to expand. That is why serious trouble between her and Great Britain is unlikely in Asia Minor. Conquest, annexation, dismemberment of German territories, armed expansion in the East or elsewhere we disclaim as resolutely as any of our Allies. That was made clear at San Remo. If a German Republic existed in spirit as well as in name, able and ready to keep Prussian militarism in check, no one would be more likely than France to live on excellent terms with her.

German democracy is, however, only the babe of Continental freedom. It has to be fed, nursed and protected; but at present there is neither a German Government nor a German Republic. Socialist ministers are the prisoners of a militarist residue which they fear but cannot dissolve. Socialist diplomacy is only a mask for the old diplomacy, which is still at its traditional game of dividing the Allies. This must be recognised if we want to maintain harmony and secure the reparation due to France. We cannot afford the time which either formal revision or a slow process of adjustment would take. The Reparation Commission was created to take the immediate steps that are called for. Discussion can go on at Spa or elsewhere, but the Commission must get to work. We object also to waiting till the International Finance Conference at Brussels has spoken. We must ascertain at once how far we have still to bleed ourselves while Germany makes default. Grumbling is already to be heard in the north of France, and both our debtors and our partners must pay prompt heed to the condition of our finances and exchange. This is a "franc" explanation of our attitude. It is given in fear of a "save the mark" policy.

On February 27 last the question of ways and means was discussed in the columns of *The Times* in connection with the question of revision. Mr. Keynes was for a new

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congress ; Lord Eustace Percy was for a piecemeal process. We do not want revision of any kind, but agreements about execution, and on such essentials as reparation, payments, bonds, coal and disarmament we want them not to be in succession but immediate. Otherwise other events will overtake us.

VI

NOW that the German diplomatic offensive of last winter—the same minds were behind it as in 1917—is dealt with, we can turn to social movements. The State as a leviathan has gone with the defeat of Germany, and the international idea of the State as a “*Communitas Communitatum*” is rapidly gaining ground. We are all of us, in fact, engaged in a far-reaching revolution. Economic and social transformations are different from political or military revolutions. They cannot be brought about by force or unduly hurried without defeating their own objects. The Russians have tried it. The Germans may do the same because they have never passed through a preliminary stage of organised democratic freedom. Their most advanced thinkers are still the worshippers and the victims of the State as a leviathan, and no help can be expected from them in the task that awaits the rest of us. Great Britain, France, Belgium, Italy, the United States and other nations are jointly and severally responsible for seeing that the old forms pass peacefully into the new. The strength of a chain is, however, only that of its weakest link and if it snaps at France it breaks everywhere. We are all looking to social England for the lead that she has so often given in peaceful revolutions of a practical kind ; but if England helps to create conditions of despair among her Allies, we shall all fail together. Our claim to assistance in the economy of revolution comes before that of Germany. The huge commercial and financial power of Great Britain

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and America must facilitate instead of complicating the material life of less fortunate nations.

Nobody objects to Germany being included among those who are to share the benefits of universal "mutual help." Her ruin is not our aim nor do we want German anarchy. The economic restoration of the whole continent is our object. The industrial life of Germany must, we recognise, in the common interest be set going—but our own comes first. Her Government also must be helped to reach stability—but ours first.

Nor is there any need for the total obligations of Germany for reparation to be fixed before the date named in the Treaty, May, 1921. It would help no one. She knows what she has to pay before that date: so do we, and that ought to be sufficient. If the question is to be discussed before the Reparation Commission fixes them in May, 1921, let the definition at least be such as to fix a minimum annual indemnity and at the same time provide for a higher contribution as soon as she is earning more.

European restoration depends above everything on Franco-British solidarity. On our side, if we care for the British alliance we must preserve and foster it and not simply use it as a means to an end. We have to look both ahead and back. Whether we like it or not, we owe Great Britain the same debt as America owed Lafayette. It is no answer to say that it was England's interest to fight at our side. It is equally that of every villager to shoot a mad dog. It was also ours to help America against England and Italy against Austria. We had our reward, and a time may come when we too may be asked to pay the debt. Imagine the combined activities of a future Ludendorf and a future Lenin.

Great Britain, on her side, will do well not to look at the practical questions on an early settlement of which both French ability and willingness to co-operate depend from too exclusively a business standpoint. We want justice, not liquidation. Wherever there is a doubt, however, our

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claims stand immeasurably above those of Germany. We want to keep both our rights and our friends. Our burden will continue to be huge, but Germany should, as soon as she possibly can, take a share of it proportionate to her means. Once the basis of international credit is fixed on these lines it should be easy to institute real financial solidarity between the Allies, and the simplest and most effective form would be a mutual guarantee of their respective shares in the German reparations and indemnities. In the meantime, Germany must disarm or be disarmed. This is the beginning and the end of the whole situation. We know what to do and we can do it. We cannot stop men, but we can stop things, provided that control is established. If further occupation is necessary let it be a joint affair and conclusive. On this subject there must be no compromise.

VII

AS to the anxiety which some of our British advisers show to promote co-operation between France and Germany, the old idea of a continental policy directed against sea power is by no means dead. If it were to take shape, even of a peaceful kind, the British Commonwealth of white nations might stand the strain though it shows weak points in Ireland, Africa and even in America ; but the British colonial empire in Asia and Africa would not. Things are already happening in the East, in Egypt and elsewhere. The largest navy in the world becomes useless once boundaries stretch too far inland in all the continents, and the imprudence under such conditions of withdrawing from solidarity in the economic life of France ought to be exposed in British schools.

If, however, the exclusive commercial spirit which seems to have lately prevailed both in America and Great Britain were to last much longer, with its policy of *laissez faire* and *chacun pour soi*, France might be forced into the false

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"Continentalism" so often preached by William of Hohenzollern. It has its temptations, and some of the most prominent business men of Prussia and Westphalia predict a huge expansion of Germany's industry within a generation. To incite other nations to share in her future prosperity without insisting upon part of its results as reparation or ensuring her total disarmament is the most effective kind of anti-British and anti-French propaganda. The near future will show whether France has chosen the wiser course in directing her efforts towards solidarity with Great Britain and the United States instead of the co-operation with Germany which Great Britain seems paradoxically to be trying to bring about.

Will the verdict of history when it deals with the course of events between the armistice and San Remo be that both countries played too often into the hands of their adversaries ?

San Remo has placed a powerful instrument in the hands of Allied statesmen. In July we shall know whether it has been used with success.

THE GERMAN SITUATION

Like the article which precedes it, the following contribution, which is from a German pen, sets out a point of view for which THE ROUND TABLE has no editorial responsibility. It has, however, been obtained, and is printed as it stands, in the belief that the time has come when the German point of view towards the question of reparation and reconstruction should be clearly understood by the British peoples.

IN the hey-day of Germany's power she was often accused of striving for World-Supremacy. In the hour of her direst misery she has become the corner-stone of Europe, and possibly of the entire system of modern economics all over the world. If she should give in under the pressure of the load which the war, the blockade, the revolution, the armistice and the peace have piled upon her, the tottering fabric of European civilisation might easily crumble to pieces.

I

THE German Revolution of November 1918 was not a revolution as revolutions ought to be according to the strict tenets of the revolutionary experts. There was no violent clash of arms between two rival factions treasuring different conceptions of the order and the destiny of the world. There was merely some disorder, some ghastly rioting and some hideous killing. The old order did not pass away in a momentous conflagration among leaping

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flames kindled by a raging hurricane ; it went out like a rushlight which the last breath of a dying man would be enough to extinguish. Germany faced darkness and chaos. The people were starved, disillusioned and tired, tired beyond endurance and hope. Important links in that great system of organised life to which the people had been accustomed were broken beyond repair. The gospel of organised anarchy came from the mystic East, strongly appealing to imaginative brains which realised that the consequences of defeat must make life scarcely worth while living in the near future. And from the West the news spread that the armies were completely dissolved and were returning in marauding bands, robbing and burning the very land which they so long had defended. All order and discipline seemed to have come to an end ; every soldier appeared to shift for himself. Trains were crowded with runaways who entered them by the smashed windows as the corridors were completely blocked. It was a state of affairs which did not last long, though it was made almost unbearable by the terms of the armistice. Very soon some elements of order returned. Though there was some breakdown at the base, the army at the front returned in good order, notwithstanding the extreme shortness of the time fixed for evacuation. Those hideous days, when all elements essential to the maintenance of a commonwealth were quickly dissolving, saw the birth of the German Republic.

A few fanatics and a handful of dreamers, none of them of very great consequence in the former life of the nation, had put themselves at the head of some disgruntled soldiers and some fanatical working men and had uprooted the German dynasties. Scarcely anybody had believed in the possibility of such an easy victory. After it had been won some of the victors at least passed what must have been to them the most trying hour in their whole life. They held the power indeed, but with nobody to support them, and, beyond a few half-baked ideas taken from their

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Russian friends, they had no policy. The returning army could easily have turned them out if it had been minded to do so ; but the German people were tired of killing, a wave of tired tolerance swept over the land.

It is the great merit of the organised German labour movement—a merit for which posterity will be grateful to them—that their most numerous representatives, the Majority Socialists, did not stand apart in that critical moment. They had not made the revolution, in fact they disliked it. But they joined with their radical brethren in forming the first Republican Government of Germany. They called to their assistance some of the best men of the non-socialists and they laid the foundation of a democratic German commonwealth by promising the early convocation of a National Assembly. In doing this they frustrated the first effort at transforming Germany into a Soviet Republic. No party ever took power in a more disastrous situation. They had trained their followers to expect a working-class government in a not too distant future. This government was to expropriate the large unearned surplus which the capitalistic classes had squeezed out of the working men. They were to use it in the interest of society at large, ensuring thereby greater production, shorter working hours, higher wages, and in general a much better distribution of income.

They had come to the land of promise much earlier than they had ever expected to do. But its rivers of milk and honey had run dry. The blight of the disastrous war lay on it. The capital of the capitalists was mortgaged to the creditors of the nation, to the millions of small subscribers who had given their savings to the State. Production was ebbing, if not at a standstill. There was no longer a large unearned surplus which it was easy to nationalise ; there were debts and starvation, a breakdown in transport, a huge dislocation of the labour market due to rapid demobilisation ; there were no resources except paper money. But something had to be done

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besides the establishment of a commission of inquiry into the possibilities of socialisation. Relief of the unemployed financed by paper issues was started on a huge scale and besides other alleviations the eight hours day was made the law of the land. It was done at a moment when lack of cash and raw materials made the change from two shifts to three shifts impossible, for neither labour-saving machinery was forthcoming nor was it possible to provide dwellings for the additional men wanted. The value of the decrease of production by shortened hours has lately been estimated at 27 billion marks.

At a time when nothing but increased production could save Germany, the Socialist Government was compelled by the force of circumstances to diminish seriously Germany's production. It was an unavoidable tragedy, not a foolish policy. After the terrible war a relaxation of the strain was bound to come, whatever government was in power. The Republican Government had no power to force the people; it had to appeal to their reason; and it might have been fairly successful if better nourishment had increased the people's energy, and if the fall of the exchange and the rise of prices had not made amelioration scarcely possible. Lack of raw materials, decreased efficiency and shortened hours thus prevented recovery and increased the existing dissatisfaction.

Bolshevist radicalism raised its head; it was put down by force by a Socialist Government. A new military organisation was improvised from the remnants of the old army.

The elections had proved that the majority of the German people were not socialists. Notwithstanding a tremendous swing to the Left, the Majority Socialists and the Independents combined did not possess the necessary strength to form a government. The German people had pronounced for parliamentarianism against the Soviet system of the "Left" and the authority creed of a small remnant of the stalwarts on the "Right."

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Majority Socialists, Democrats, and the Catholic Party joined in a coalition government, which has ever since existed, and which, so far, has been supported by the overwhelming majority of the people. It was, and is, a government strong in votes, but weak in action. It is composed partly of members of a party who have been taught to believe in permanent class warfare, and who object to private property in the means of production; they have as their colleagues men who uphold private property, who believe in private initiative, and object to their theories of class warfare. Their supporters insist on immediate socialisation, whatever that may be; their colleagues object to it, as they trust to private initiative. The working class in the towns, who form the bulk of the Majority Socialists, insist on low prices for agricultural produce; the farmers, who are an important element in the Democratic and in the Centre Party, demand higher prices under threats of an ever-diminishing output. Coalition governments must always compromise; in this government all parties concerned must needs compromise their chief principles. The government has to face an opposition, small in numbers so far, but gaining strength, in the country, and an opposition from radicalism on the Left and on the Right. Both extremist sections hate and despise each other; but they are both enemies of the parliamentary system, and are both willing to use physical force. Some leaders of the Independents, as well as some members of the National Party*, recoil from an appeal to violence; their less enlightened followers are always willing to use it. Thus a government elected by the people on the most liberal franchise must continually defend themselves and the people by force of arms. In great centres of civil life, in Berlin, in Munich, in Leipzig, in Hamburg, the peaceful citizen has become accustomed to the rattle of the machine-guns, to the erection of barbed wire, to

* The party referred to is no doubt the "National Volkspartei," one of the parties of the "Right."

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the sight of steel helmets, and the use of hand grenades. And the foreigner who is not accustomed to these sights, and who frequents the haunts of the Independents and the Communists, might easily believe that German militarism is much more in evidence at present than it ever was before. He is mistaken. The German people are tired of fighting. No power on earth could drag back to the trenches the men who have been in them. They are so sick of violence that anybody who is well armed and willing to run the risk can sway them easily. There are such groups on both extreme wings; there is a skeleton Red army, which is easily swelled to huge numbers wherever there is a panic; and there are influential groups on the Right who hope to come into their own again by force of arms.

The problem of the Government and of the German people is to have a reliable army, strong enough to quell any rising. This army, according to the terms of the Peace of Versailles, must be a hired army. German militarism, so it seems, is to be extinguished by spreading the spirit of the officer class, which was, of course, militarist, to the rank and file. In a militia the officers might develop the spirit of a separate class, but the men, serving only for a few weeks, would represent all classes of the nation, and would never stand for one party. A militia, besides, would be cheap, whilst the small hired army of to-day is nearly as expensive as was the army before the war. As long as Germany is subject to sudden fits of local rebellion—and it will be some time before all danger is passed—the army must be strong enough in numbers to guarantee a certain measure of security.

It will be sifted, and it will be reorganised—the “Kapp putsch” has shown certain dangers very clearly—but it will always be formed of people who prefer war to peace; it will always be officered, in part at least, by men imbued with the martial spirit. It must lead a life of undiluted disciplinarian routine; there are no colonies where the

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men can be used on active military service ; they have nothing to look forward to and nothing for which they have been trained. They will soon get bored, and they will soon realise that they are the armed power, and that they can dictate their own terms to any recalcitrant government. Even to-day large masses of working men have begun to distrust them, one of the deplorable results of the "Kapp putsch." And as distrust engenders distrust, a feeling of antagonism between the armed forces of the Republic and the working men is likely to arise. It was strongly visible in South Germany after the disastrous comedy of the "Munich Soviet Republic" just a year ago. It can be mitigated by a proper reorganisation of the "Reichswehr" * and by the formation of a new Citizens' Guard all over the country. For if the present Citizens' Guard is dissolved without any other similar institution taking its place the bourgeois classes will be terrified by the spectre of a Red army rising amongst the working men ; and the labouring classes will expect an onslaught from the Nationalist elements, who, according to their view, control the Reichswehr.

The Germany of to-day is an unarmed, easily frightened democracy, whose weapon of defence against any military attack is the general strike, a suicidal measure if it is used regularly. But there are dangerous militarist elements in the country. There are extremists on the Left who believe in Russian terror, who aspire to the cast-iron rule of a fanatical minority. They will gain strength whenever there is a setback in the slow economic improvement that the nation is expecting. They increase in numbers whenever there is an uprising which puts the ultimate power for the time being in the hands of the soldier. The belief in parliamentary institutions is not a time-honoured tradition in Germany. The idea of the "council" system is somewhat akin to some very German ideas of professional

* The "Reichswehr" is the name of the regular army as distinguished from the semi-military forces.

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estates governing themselves and the land ; and the creed that the millennium is coming after the present order is smashed must appeal strongly to men and women who have nothing to look forward to.

Communists have failed so far, as the Reichswehr could be relied upon against them, when backed by sufficient popular support. But if the masses should distrust the Reichswehr this support will not be forthcoming.

There are, moreover, numerous reactionary sets who are willing to use force if there is a real chance, who objected to the Kapp movement merely because it was unsuccessful. The revolution has deprived the ruling classes, especially in Prussia, of their privileged political position. They have always been in a minority, and they know only too well that they never will become a majority by constitutional means. They may win over in a large measure the large employers of labour who disapprove of the industrial disorganisation, for which, according to their views, the revolution is mainly responsible. They work upon the antagonism of the farmer, who is apt to look upon the town dwellers and the town-dwellers' legislation as a rabble of loafers. But it is not likely that they will ever get a majority, certainly not as soon as they want it. Some of them advocate an agricultural boycott, partly with the object of raising prices, partly to make the labouring classes feel the power of agriculture, with the brutal aim in the far background of depopulating the cities and making them an obedient appendage to the farming interest. This way of redressing the social balance is slow and anything but sure. Vienna may die in patient resignation. The German working man is made of sterner stuff ; any endeavour to strangle the cities might be answered by the formation of a real Red army, whose strategical object would not be social reorganisation, but " food."

Some ideas of that sort have been aired in Bavaria, where there was always a strong peasant movement, not entirely free from antagonism against the cities. Some of its

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promoters are looking across the frontier to the remnants of Austria, in whose agricultural districts there is some vehement opposition to starving socialist Vienna. France, so they argue, will never permit the union of German Austria and Germany. But she would not object to a union of Bavaria and German Austria, provided that Bavaria separated from the German Republic. If she did so, a new South German Confederation would arise, a country almost self-supporting, without any industries. A Catholic country it would be, fairly free from the taint of socialism. It might enjoy the goodwill of France. And after having established order within its confines and having done away with the revolutionary system it might later on join the German Republic on its own terms, teaching it the lesson of healthy government and good social order. Separation would only be provisional, as a means to greater union and better order. This trend of ideas has a certain influence on some strongly Unionist groups who prefer provisional national disintegration to what they consider permanent social disintegration. It is the same separatist instinct which induced Eisner in the early days of the revolution to make Bavaria play the rôle of the pioneer in Germany. It failed then and it is likely to fail now, though it always enjoyed quite a considerable amount of sympathy across the Rhine.

There are other reactionary sets who do not mean to trust to slow political means to bring about what they consider the reconvalence of the State. The old order, they say, was overturned by force. As the right of the revolution is based on force, it can appeal to force only and not to right. They do not believe in the binding force of the constitution; they do not realise that their appeal to force would make revolution the permanent state of the land and the complete justification of Bolshevism. It was no accident that the "Kapp putsch" was immediately followed by a Communist rising. Both extreme parties are really twin brothers, for human development depends

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to a much greater degree on the methods used for its achievement than on the objects it is striving for. And there are even some direct links of communication between Bolshevism and Militarism. The bulk of both parties pray that their antagonists may strike the first blow, thus giving them a chance to hit back ever so much more strongly. But there are certain groups of Communists, who believe in a strongly nationalist physical force type of Communism. And there is ample ground for violent dissatisfaction amongst many members of the classes who were formerly privileged. Disillusion with the half Socialist government, which does not bring about socialism and which believes in social order as strongly as ever did any official of the old order, has driven many a working man into the fold of the Communists. Hatred of this new order, despair of Germany's future, belief in their own capabilities and the gloomy outlook in so far as their own careers are concerned, must provide any desperado on the reactionary side with ample material upon which to work his will. Fifteen thousand officers, so it was said some time ago, have actually been dismissed. What are they going to do? What can they live upon? Their pensions have always been small. In these days of the ever rising cost of living they cannot even starve "genteely." The social position, to which they were accustomed, and which, in fact, was part of their pay, has been taken away from them. The younger officers are crowding the universities; they are partly responsible for the revival of the nationalistic spirit in them. The majority have done their duty at the front. They know very little about politics, having no political training or understanding. They are realising with despair that the war was lost: but it did not end in an overwhelming tragedy on the battle-field; there was no Cannae or Waterloo. The war has ended by a humiliating armistice, which according to their views was demanded and negotiated by frightened civilians. They believe that the front could have withstood further attacks for some time

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at least, until some miracle might have happened, if it had not been "murdered from behind"; if the revolution had not come the terms of the armistice would have been far less onerous. And as for the peace, surely it shows clearly enough that German Democrats were only ensnared by double-tongued Puritan schemers. A just peace was promised to Germany if she would turn democratic; she did so at the behest of the Allies, to be dismembered at Versailles. And the German governments formed by the parties who connived at the revolution, if they did not make it, have stood all sorts of indignities which an arrogant enemy could heap upon them. They have expressed their willingness to rely henceforth on right, not on might; but they have been shown after all that "might is right." The Peace of Versailles has made a broad stratum of the German people, who had been quite willing to believe in international goodwill and friendship amongst nations, into worshippers of sheer force once more. It has dealt a deadly blow at political idealism, especially amongst the educated classes. If aggressive nationalism is once more visible in the land—it was quite dead a year ago—this is not due to the insincerity and the weakness of the German Government; it is due to such actions as make this government appear weak, nay, even contemptible, in the eyes of important sections of its own people. And behind all this there are strong economic forces. In a country doomed to poverty disbanded officers and disbanded soldiers must be a danger to the public weal. They cannot emigrate, for nobody wants them and there would be neither transport nor cash to take them abroad. They cannot work, for there is a glut in the labour market; they cannot live, for living is dear; they cannot rule, though they come of a ruling State, for others have taken their places. They hear of indignities inflicted upon their brethren and sisters in the occupied districts, they see efforts to break up the unity of their country. They dimly feel that enormous problems are ahead of the country, and

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they realise that the government is far too weak. They are accustomed to act and not to reason ; they have very little to lose and a great deal to gain. They are quite sure that the days of the monarchy were far better than the evil days they have to live in. Cannot they be brought back by a strong fist and an iron will ? The mass of the people has most significantly declined all appeals to force, as was shown clearly during the " Kapp putsch." In those eventful five days a well disciplined, splendidly equipped army was beaten, almost without a shot being fired, by the silent will of the people. It was not only the working class, it was the mass of the nation who shared in that victory, one of the few great struggles when the spirit proved mightier than the sword. But the danger has not completely passed. It cannot pass before Germany is once more sound economically, and before she has a government which is treated as a government by other Powers, and not as a surly, unreliable bailiff.

II

GERMAN economic life has been disastrously affected by the war, the revolution, the armistice and the peace.

The war and its terrible losses have greatly reduced the number of men capable of work. The industrial efficiency of the people is greatly diminished. It has been stated authoritatively that it is one-third below its former standard. Time alone will show whether this deterioration is temporary and whether it can be made good notwithstanding the effects—some of them permanent—on the rising generation. The revolution has established a maximum working day of eight hours. A corresponding relaxation has taken place. But the increased efficiency which advocates of the eight-hour day might have looked forward to in better times has not yet followed the shortening of the hours, for the people are too weak and too poorly

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fed for any extra effort, and the wear and tear on the plant was too great to permit of quick adaptation to changed circumstances.

Production has fallen correspondingly. In the mining districts of the Ruhr daily production has decreased from about 380,000 tons to 240,000 tons; it is only lately that an output of 300,000 has been reached. The revolution has naturally unsettled the mind of the working class. At last their leaders held the political power that they had desired for many years. The masses expected from the change greatly improved conditions of life. The only thing which could be given them was shorter working hours, but neither better feeding, better clothing, nor better housing. Sulky despair and wild enthusiasm make them expect an amelioration of their lot, no longer from slow improvement, but from some cataclysmic upheaval. The number of people which Germany has to maintain is greater certainly, in comparison to her resources, than it was before the war.

Her territory—quite apart from the colonies—has been considerably diminished. Agriculturally the ceded districts were surplus districts. About a quarter of the German grain and potato output is lost—whilst the loss of population—not including Upper Silesia—is only 7·5 per cent. and with Upper Silesia 13·4 per cent. The excess of imports over exports of breadstuffs of about 1½ million tons, which was necessary before the war, would be considerably increased, even if the producing power of German agriculture were not diminished. The absence of artificial fertilisers has, however, reduced considerably the crop-bearing capacity of the German soil. The production of breadstuffs fell from 14 to 15 million tons to 10 million tons; the production of sugar beet from 14 or 15 million tons to 10 million. As German livestock depended on huge imports of feeding materials from abroad, the number and the quality of the remaining animals have greatly decreased; the decrease in the

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number of cattle will be about 10 per cent. to 12 per cent. ; but the deadweight fell from about 500 German pounds to about 320. The deadweight of pigs—they are reduced to about half of their former number—has fallen from 170 pounds to about 126. Far greater quantities than before are needed from abroad to bring about a reconstruction of the German people. Owing to the bad exchange, prices paid by Germany abroad are so high that resales are possible only at a loss, which must be borne by the government. Prices at home have risen considerably, but agriculture does not find them remunerative. There are strong tendencies at work to restrict the agricultural output to the necessities of the farmer and his family, making Germany's huge town population more and more dependent on foreign supplies which are made far too expensive by a bad exchange, and the purchase of which deteriorates the exchange in its turn.

The wear and tear on German industries during the war has been enormous. Some flourished enormously, but notwithstanding all substitutes Germany as a whole was living on her industrial capital. By an enormous effort she maintained the output of coal at a fairly high level. Moreover, she was able to keep her transport system going. The armistice, with its huge demands for engines and carriages and its enormous pressure for quick demobilisation, disorganised transport. The revolution and some of its consequences brought about a relaxation in the efforts of the coalminers, which was unavoidable in the long run, but which came at the most unpropitious moment. The occupation and the Peace of Versailles destroyed the natural base of the German iron industry. Germany lost about 80 per cent. of her iron ores. And whilst she is forced to supply coal in huge quantities—quite apart from the cession of the Saar Gebiet—her iron and steel industry has no guarantee that it will receive regularly the iron ores on the adequate supply of which it is based. Transport and exchange make it impossible to

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substitute ores from oversea, even if it were possible to get the quantities needed without upsetting the markets.

The backbone of German industry, coalmining, has lost a good deal of its former efficiency. This is visible all over the world ; but its results are very serious for Germany and the world at large.

Germany's coal output for 1913 was about 190 million tons. She has lost so far the Saar and Alsace Lorraine. That would leave her with an output of about 173 million tons—including 43 million tons in Upper Silesia. But the output for 1920 will be scarcely 120 million tons. It is possible, no doubt, to increase the coal production later on without a too violent lengthening of the working hours—the Westphalian miners have lately worked voluntarily additional shifts ; but the situation has been very serious. Train services had to be stopped temporarily ; many great cities were without gas ; schools and universities had to be closed—in some cases even the hospitals were in danger—not to speak of the sufferings of the private citizens. The potash works, whose output was wanted for agriculture, had to stand still ; and in many other cases plant worked merely spasmodically. In the autumn the margarine ration was reduced from 150 to 100 grammes because the fuel for the works was not forthcoming. The output of coal could be greatly increased if the labour power could be augmented correspondingly. It might be possible to get the hands needed ; but they have to be housed and they can't be housed without dwellings. All over Germany there is a terrible shortage of houses, as few houses were built during the war ; but houses can't be made without bricks, and bricks are made in brickworks which have no coal. It is a vicious circle and the reparation clauses of the Peace treaty make it almost impossible to break it. Germany is bound to hand over to France, Belgium, and Italy about 43 million tons a year. That is over 33 per cent. of the present production—provided that Upper Silesia votes for Germany. The necessity of

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providing this coal must fall on the Ruhr district for geographical reasons. Assuming a daily output of 300,000 tons, 43 million tons correspond to the output of 143 working days. In other words, the output of about every second day is withdrawn from German economic life.

So far this demand has not yet been insisted upon very severely. If this were to be done in the near future and if Silesia were lost, German industry would either come to a standstill or have to use imported coal. Some works indeed used imported coal last winter.

If that were the case Germany would be quite unable to pay her way internationally. It is impossible to give reliable facts about the German balance of trade. It must be passive for a long time to come, for Germany is like a dry sponge sucking in water. She has no longer any important assets abroad or ships with which to pay for the balance. Apart from coal and a few other products made from coal and home-made materials, her capacity to export depends on the amount of imports which can be converted into exportable commodities.

As coal and important coal products would no longer be available to pay for imports Germany will have nothing with which to pay for them, especially as the coal shortage will reduce her capacity to export. Her exports—in gold—were scarcely ever higher than 10 billion marks in gold. Forty-three million tons are over 3 billion marks, gold—though Germany, according to the treaty, will be credited with much less. German exports from the reduced territory, with little iron and a very much reduced available coal supply, can be scarcely estimated at more than 7 or 8 billion marks, gold—assuming a rise of 100 per cent. in gold prices. Is it possible to export 3 to 4 billion marks, gold, by way of indemnity, if this tribute comes to nearly 50 per cent. of all exports?

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III

THERE are some signs of recovery in German economic life, but there are none yet visible in German finances. The funded debt has reached about 92,000,000,000 marks ; the floating debt is fast exceeding 100,000,000,000, and there are no means of funding it just now, for to fund only 60,000,000,000 each German, man, woman or child, would have to subscribe 1,000 marks a head. Expenses are piling up heavily. The rise in prices forces the government to pay higher salaries to their officials to keep them from starving, and to cheapen the price of some staple commodities by paying a kind of bonus to the consumer. It helps very little and costs a great deal. The Post Office and the railways, which formerly contributed handsomely, especially the railways, to the nation's income, are suffering from ever increasing deficits, owing to shortened hours and higher wages. The total regular expenditure of Germany was about 4,500,000,000 marks in 1913 ; it was estimated at 24,000,000,000 marks for the Republic for 1920. If the probable expenditure of the States and of the municipalities is taken into account, the total of the regular expenditure will be about 32,000,000,000 marks. About 30,000,000,000 marks are expected to be received from all sorts of taxation—income taxes go up to 63·5 per cent. of the total income from capital, taxes levied on newly acquired property go up to 98·5 per cent. of the additional value. There is a deficit of about 2,000,000,000, apart from the deficit of the Post Office and of the railways. Moreover, taxes cannot be collected until late in the year ; and it is by no means sure whether the country will respond to the new demands. As prices go on soaring, there will be a new deficit before the harassed Chancellor of the Exchequer has found a way to meet the old one. A ton of hematite iron cost about 80 marks

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before the war ; it had risen to 366 marks 50 pf. on April 1, 1919 ; it stood at 1,171 marks 50 pf. on December 1, 1919 ; and at 2,338 marks on April 1, 1920.

German exchange, it is true, has greatly improved lately—the hole in the Western frontier has been stopped—but if a new demand for foreign commodities were to arise without adequate credits being forthcoming, a new crisis might be at hand.

The enormous rise in prices is due partly to the inadequate supply of goods due to decreased production, and partly to the great issue of banknotes, which is unavoidable as long as the deficit in the Budget cannot be met. And the financial clauses of the Treaty of Peace make the issue of new Treasury bills a permanent necessity.

The paying of the first 20,000,000,000 marks in gold is depriving Germany of her ships, her cables, her assets in the Allied countries and the assets due to her from her former allies. All this is private property, and is the working capital of German business men and of German corporations. They have to be compensated by the government. A sum of 20,000,000,000 marks gold is worth at least 200,000,000,000 marks paper. It cannot be raised from taxation, it must be met by the contraction of a new debt, which will very nearly double the public debt. Each German man, woman or child, would then be responsible for a debt of at least 6,000 marks per head.

There is no use in becoming bankrupt, for the State owes most to its own citizens. The banks and the business men hold the Treasury bills, and if they were not paid the entire business life would crumble to pieces. And the mass of the people own the war loans ; if they make default public order will also make default. The small owners, the chief supporters of the existing order, would all turn Bolshevik.

But this is not all. An annual payment of 1,000,000,000 to 2,000,000,000 marks gold, which is the minimum stipulated by the treaty, means an additional annual

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burden on the Treasury of 10,000,000,000 to 30,000,000,000 marks. It cannot be levied by taxes just now. It can only be met by Treasury bills, and Treasury bills ultimately mean new banknotes and new banknotes increase the inflation and the burden.

If Germany is to pay—and she has entered a solemn obligation to do so, which she neither can nor will set apart—she must be made solvent. She can only be made solvent if she can work at top speed. She can only do so if her people are fed, if her factories are started. Credit, not in cash, but in food or in raw materials, is what is wanted. She must be able to use her coal for herself and for the Allies. Her people must not be irritated continually, and her government must not be held up to ignominy. Hers are the pillars—shaking indeed—on which the edifice of European civilisation is still resting. She is weak and tired, and she would not dream of revenge if there was the prospect of a decent future ahead of her. But, shorn of all power, as Samson was of his locks, she might be goaded into despair one day if the agony lasts too long and bury herself and the world in one mighty collapse.

PROBLEMS OF EUROPE : THE WORK OF THE SUPREME COUNCIL

THE work of bringing order into Europe, and of establishing those political conditions which are necessary for normal life, is proving long and arduous. At the best it must in truth be many years before the forces of reason have asserted themselves, before the evil results of the war have been eliminated and the new order of things confirmed. The causes of distress may be grouped under three headings. We have first of all the political problems arising directly out of the Treaties of Peace, the diminution of German territory, the break-up of the Austro-Hungarian Monarchy, the establishment of the new States, and the great increase of some of the older ones. Secondly, there is the economic problem ; the loss of wealth which was an inevitable result of the war has brought about a complete collapse of the currency in Austria, in Germany, in Poland and, though to a less degree, in the other countries such as Czecho-Slovakia, Yugo-Slavia and Rumania, and has even affected very seriously France and Italy. This has resulted in an enormous rise of prices, has made the resumption of normal economic relations very difficult, and thereby is impeding the restarting of production on which the population depend for their daily bread. These conditions have been aggravated by the conditions of Peace, and political causes are impeding an application of the necessary remedies. Thirdly we have—increased indeed by the economic condition, but in its origin different—the

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unrest which is due to the prevalence of what are called Communist or Bolshevik theories among a large and active minority of the working classes in most countries, a minority the intellectual strength of which depends upon the adhesion given to these doctrines by a considerable number of what we may call dis-classed intellectuals. Any one of these problems would in itself be sufficient to tax to the utmost the energies and abilities of those responsible for restoration ; in combination the task of dealing with them is so arduous that it may well appear to be almost beyond their powers.

Although the forces of disintegration take different forms in different countries, they are common to the whole of the Continent, and cannot be dealt with properly in any one country alone ; they illustrate in the most marked way the essential unity of Europe. It is necessary, therefore, that there should be common institutions to deal with them. The affairs of Austria, of Czecho-Slovakia, cannot be dealt with alone ; the value of the French franc and the restoration of the devastated districts in France is largely conditioned by the state of affairs in Germany ; the risings of the " Reds " in Germany are closely affected by the rule of the Bolsheviks in Russia ; Italy cannot settle down till the Adriatic problem is solved, and the unrest and disorganisation of the new Polish State affects injuriously the whole of the east of Europe. To meet this state of things there is therefore required common machinery which can take cognisance of affairs throughout the Continent. Two such organisations exist—the Supreme Council of the Allied and Associated Powers and the League of Nations. Any survey, therefore, must begin by considering how far they afford an effective instrument for the purpose. This is the more necessary because there is a clear indication that there is some want of effective co-ordination between the two.

The Supreme Council

THE SUPREME COUNCIL

WHAT is the Supreme Council, and what are its functions? It arose out of, and is the direct descendant of, the meetings between the heads of the Allied States who met from time to time at Versailles and elsewhere during the war for the purpose of co-ordinating the military and political action during the war. After the signature of the Armistice, reinforced by the representatives of America and Japan under the form of the Council of Ten, and for a short time (without Japan) of the Council of Four, it continued its daily meetings throughout a large portion of the year 1919. As such its first duty was to agree upon the terms of peace to be imposed upon Germany and the other enemy States. Side by side with that it had, in fact, to take to itself the power of imposing its will, if necessary, by force of arms, upon all parts of Europe. If acute friction arose between the Poles and the Czechoslovaks over Teschen, between the Italians and the Yugoslavs in Klagenfurt and Fiume, between the Poles and the Germans in Posen, between the Poles and the Ruthenians in Eastern Galicia, the problem ultimately had in every case to be referred to the Supreme Council in Paris; the different sides were heard by it; generally it appointed a Commission to investigate the matter on the spot, and ultimately it issued its award.

What then is the basis of the authority on which the Supreme Council of the Allied Powers acts in these matters? It has no legal basis. The authority of the Council resulted from the fact, first, that a state of war still continued, and all relations between the Allied Powers and the enemy States, therefore, were based purely on the military power which the Allies held in consequence of their victory in the war. Secondly, it was a result of the overthrow of Austria and Russia, and of the fact that over large portions of the Continent there was for a period no organised and

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recognised Government, so that the ultimate responsibility for the government of some districts rested in fact with the Allies. This applies, for instance, to a district such as Teschen and to Thrace or Albania. They had been separated from the States under which they had previously existed ; they had not been assigned to any other State ; there was therefore an absence of any legal Government. So long as this continued they came merely as a matter of fact under the government of the Supreme Council as the executive agent of the Allies.

Now, as terms of peace are concluded one by one with each of the belligerent Powers, and as in consequence a state of peace is substituted for that of war, so far as this has happened the responsibility of the Council is limited ; and, when the Treaty of Peace with Hungary and with Turkey has been signed, all its functions arising out of the first head will have been terminated. In the same way, its functions as *de facto* Government of undetermined territories ceases in each particular case so soon as this territory has been assigned to some recognised State. The result is that slowly and gradually these duties of the Council are disappearing. So far as can be foreseen they will shortly have disappeared altogether except for one or two areas as to which no determination has been made, such as Eastern Galicia and those districts on the shores of the Adriatic which have not yet been assigned either to Italy or to Yugo-Slavia.

It is clear that these functions, so long as they exist, must be exercised by the Supreme Council, and cannot be transferred to the League of Nations. They are functions of government. They require strong forces, large resources, and a united will and purpose, none of which qualities is at this moment possessed by the League of Nations. The League of Nations will, we hope, in time acquire great authority and widespread influence ; but Washington's maxim stands that "Influence is not government," and it will at once be clear that no duties

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of this kind could possibly be taken over by it. For this reason the League was right in refusing the invitation addressed to it by the Supreme Council to undertake the responsibility for the government of Armenia. For the same reason, it seems impossible for the League to undertake any responsibility with regard to Russia.

In any consideration of the work which has been done by the Supreme Council, it is a matter of historical knowledge that its action has in this matter of government often been defective ; it is only necessary to refer to the Polish occupation of Eastern Galicia, to the conflict of Hungarians and Roumanians in Transylvania, or to the seizure of Fiume by D'Annunzio. There are two reasons for this weakness in executive action. The first is physical. The forces at the disposal of the Supreme Council were the armies belonging to the States represented on the Council itself ; in this matter Japan does not count ; these were, therefore, the armies of France, Great Britain, Italy and the United States. It soon became apparent, however, that the resources of these four States were not sufficient to provide the very large forces necessary to keep order throughout Europe during the intermediate period before this function could be handed over, after the frontiers had been settled, to the several States. In some cases the weakness was in the quality of the troops—as in those which were dispatched to Odessa by France—in others it was that sufficient troops were not available. And the States were not willing—perhaps were not able—to incur the necessary expenditure. The other reason was that the efficient display of force could only be exercised if there was not merely a formal agreement upon a particular formula which had been chosen as a compromise between differences of opinion, but a real genuine harmony of thought between the different States. This was especially illustrated in the case of Fiume. Here force, if exercised, would have had to be directed against one of the Allies themselves, and had this been done it would almost

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inevitably have broken down the Alliance. This was also true with regard to most of the difficulties which arose in Polish affairs. It is one thing to get the heads of the States meeting at the Quai d'Orsay to agree on a formula to be applied, another thing to get them to enforce it, possibly by fighting. The former could be achieved, the latter could not.

If we wish for an historical analogy—and they are always useful—the obvious one is to be found in the condition of Europe from the first Peace of Paris in 1814 to the final settlement after the Congress of Vienna. Now the essential point to be observed is that at this time the rulers of the Coalition had full and complete power to enforce their decisions upon Europe. The control of affairs rested with the Tsar, the Austrian Emperor, and the King of Prussia acting in agreement with Great Britain. All these three men were autocratic rulers, with a complete and unchecked authority over their own dominions, and they had at their disposal large armies, which were actually stationed within the territories to be disposed of by the Congress of Vienna. The most important of these territories were in Germany, and for many months the Government of Germany was in the hands of a Central Commission, the head of which was Stein. No attempt to dispute the decisions of Vienna, when they were unanimous, could even be entertained, because of the overwhelming military forces at the disposal of the Coalition. It is this power which has been wanting in Europe during the last two years. And it was wanting for two reasons. First, because the rulers of the Allied States had not at home the complete authority which their predecessors enjoyed. This is part of the price which we have to pay for the progress of democracy—no doubt a preferable form of government, but one which in international relations creates difficulties which the old autocracy did not know. Neither M. Clemenceau, nor the President, nor Signor Orlando, nor the Prime Minister, could really dispose as he wished and as might be

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necessary for carrying out his policy, of the armies, for, in fact, at any rate in the case of Great Britain, the army was crumbling away all the time. In addition, owing to the circumstances in which the war concluded, the armies were only to a very small extent in actual occupation of the country to be disposed of.

There is, however, another set of functions exercised by the Supreme Council of a different character. It is responsible for the execution of many of the provisions in the Treaties; the terms of the Treaties have been so drawn as to leave many matters to be settled by the discretion of the Principal Allied and Associated Powers. For this purpose the Ambassadorial Conference, which sits regularly at Paris, has been established, and, generally speaking, their decision will be final as between the Allies. In matters of exceptional importance it may, however, be necessary for them to refer to their Governments for instructions, and in some cases the matter may be one which will require a special consultation between the heads of the Governments themselves.

It may be useful to give illustrations of the matters which come under this heading. The plebiscite in Slesvig has now taken place; the Commission have drawn up their report; it has to be sent to Paris for final approval and for a decision on any points on which the members of the Commission have not been able to come to a unanimous agreement. Again, there is the case of Danzig. The procedure has been fully arranged under the Treaty. It is there provided that during the transitional period, before Danzig is established as a sovereign State, it shall be under the sovereignty of the Allies. During this period all questions connected with it must, therefore, be handled by the Conference at Paris, and they cannot evade the responsibility. When their work has been completed, when the constitution of the city has been determined, when the Treaty with Poland has been agreed, then the functions of the Allies will cease, Danzig will become an independent city,

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its relations with Poland will have been determined by treaty, and from this moment, as it is expressly stated in the Treaty, it will come under the protection of the League. In other words, the League comes in later ; and it would only be to weaken, and not to strengthen, the position of the League if any proposal were to be made by the Supreme Council at the present stage to repudiate the responsibilities which have been thrown upon them. Perhaps the most important matter which under this heading is assigned to the Supreme Council is that of reparation. The reparation clauses are extremely difficult to understand, and it may even be suggested that they are inconsistent with one another ; but one thing is clear—that the Treaty gives to those Allied Powers who are represented on the Commission, or their representatives, the right, and the sole right, to modify or interpret the terms of the section and to reduce or postpone the payments to be made by Germany. This is a responsibility, then, which belongs to certain of the Allies whose names are specified ; it is not a responsibility of which the League ought or would be willing to relieve them. It will, however, be all to the good if they take the German Government into consultation, as is proposed.

The conclusion, then, is that there are very important functions which belong to the Supreme Council, whether they are dealt with by itself directly or by subordinate commissions appointed by and responsible to it. These functions are, it is true, gradually diminishing in extent ; those arising from the state of war will, it is hoped, soon have disappeared ; the second set, the government of unallocated regions, will also continue, probably, for only a very brief period ; the third, the execution of the Treaty, will continue for some considerable time. Now none of these seems to be of such a nature that it can be transferred to the League of Nations, and the decision which was recently made at San Remo that the Supreme Council should continue to meet from time to time as appears

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necessary seems to us to have been one which was perfectly correct. The suggestions which have been made that their work should be merged with that of the League of Nations is one which is misleading.

POLAND AND RUSSIA

THE internal condition of Russia remains as always, enigmatic. One thing is clear, viz., that the Soviet Government is the only authority of any kind which exists in the country. Beyond its fiat is mere anarchy; each village lives its own life, cut off from all dealings with its neighbours. There is no trade, no transport. In a few large towns the Bolsheviks are able, by the exercise of unparalleled tyranny, to maintain their authority; having destroyed every other organisation and exterminated all those who opposed their will, they may be able to assume even some appearance of clemency. They still have very considerable military resources, and are able to put into the field armies which are a serious menace to their immediate neighbours.

In a general way this state of things, lamentable as it is, is one with which neither the Supreme Council nor the League of Nations is capable of dealing. As a result of the discussions which have taken place during the last months, all suggestions for forcible interference in Russia have, as we believe rightly, been definitely rejected. It is even proposed by Mr. Lloyd George and Signor Nitti to try to establish some kind of relations with the Soviet Government, which would thereby receive that form of *de facto* recognition which often has to be conferred on what is obviously merely a temporary revolutionary authority. A result of this, and a desirable result, would be to break down the barrier which has prevented all intercourse between Russia and the rest of Europe, and allow such trade as was possible to arise.

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The situation is, however, a very different one for those States which are on the borders of Russia. They find themselves confronted by a very dangerous situation, and at any time may be exposed to an attempt at intervention. It is clearly their duty to protect themselves. The best protection would be at any rate a provisional arrangement as to frontiers by which the Soviet Government would undertake not to interfere west of an agreed line. Negotiations of this nature are in progress, and it is to be hoped that they may be successful. They probably will be for the small Baltic provinces, but the prospect is not favourable with regard either to Finland or Poland. Under these circumstances the Poles have decided on a considerable military advance. The reasons given for this are that it is in reality merely a strategic measure of defence ; they wish to occupy the line of the Dnieper. Whether or not they are wise in this action depends upon circumstances which at this juncture cannot be foreseen. They have started with very considerable success. If they succeed in their endeavour, and do not spoil their successes by too great an advance, they may succeed in their present campaign, but if their action brings upon the new State the permanent resentment of a combined Russia, temporary success might be dearly purchased. This action of Poland is, however, one for which Poland itself is entirely responsible. As a sovereign State, they have decided to take such measures as seem necessary to them to protect their own population against the anarchy which exists beyond their borders and against the risk of military invasion. It has been made clear to the Polish Government that, while the Allies claim no right to interfere in this action, they also have no responsibility for the results of it. If it is successful, full credit will accrue to the Polish Government and the Polish army for the military side of the achievement. The Allies are concerned to see that any advance of the Polish army does not prejudice the ultimate determination of the Eastern frontiers, for by the Treaty of Versailles Poland has agreed

The Slesvig Plebiscite

that the determination of this frontier shall eventually be decided by the Principal Allied Powers.

THE SLESVIG PLEBISCITE

THE first of the plebiscites has taken place in accordance with the Treaty of Versailles, but has brought a sword and not peace in its train. The Slesvig question did not arise directly out of the war, and could not be dealt with by the Paris Conference on its own initiative. The Danish Government of the time, similarly, did not feel it a proper subject for representations ; but they gladly agreed to the request of the North Slesvig Electoral Society and forwarded the Aabenraa resolution to the Conference. Already the Rigsdag had unanimously agreed (October 23, 1918) " that no change in the status of Slesvig except one based on the principle of nationality would accord with the desires, feelings and interests of the Danish people " ; and from that day to the adjournment of the Rigsdag for Easter, neither the Rigsdag nor any party had formally receded from that position.

This point is of some importance since the recent Danish crisis arose out of a tacit repudiation of the results of the plebiscite. The First Zone, voting *en bloc*, declared itself for incorporation with Denmark by a majority of three to one ; and it is impossible to see how a fairer " watershed " of races could have been found than the southern boundary (the Clausen line) which leaves to the north every commune where the Danish vote justifies incorporation with Denmark and to the south every commune which can more fairly claim to remain in Germany. But when the voting took place in the Second Zone, on March 14, and these facts became clear, some sections of the Danish people were dismayed. The more prudent had never expected any other result ; but the Chauvinists had been blinded by their hopes, and refused to believe that they could lose the Second Zone, or, at any rate, Flensburg.

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Up to the adjournment of the Rigsdag, the opposition took no step beyond expressing "confidence" in the decision of the International Commission. But on March 27 the opposition parties in the Rigsdag issued manifestoes in favour of an immediate election, and two of the Government party published statements that they were joining the opposition on the Slesvig question. The Government had no majority in the Upper House, and by this defection its small majority in the Lower House was swept away. At this juncture King Christian called upon M. Zahle to resign, and, on his refusal, dismissed him. The King had never concealed his sympathy with the Chauvinists, and his hasty action at once precipitated a crisis. Left alone, M. Zahle was doomed. Deposed, he was the symbol of the rights of the best organised political group in the country. The King asked M. Liebe, a high Court advocate, to form a Cabinet d'Affaires, and a Government was formed by midday on March 30.

But feeling now began to run high. On the preceding evening a Trade Union deputation had called on the King and demanded the recall of M. Zahle under threat of a general strike; and on the following day a mass meeting of supporters of the late Government decided to declare a strike, to become fully operative on April 6. On the 31st two Socialist members of the Lower House called on the King, and on his refusal to agree to their demands a general strike was declared. It is probable that it was never expected to be more than a threat. But behind it the forces of the country Liberals and the town workers joined issue; and, after some abortive negotiations between M. Liebe and the Social Democratic Committee of Action, the King called a conference of party leaders at 9 p.m. on April 3. In the seven hours' discussion the King's position was put and lost. M. Liebe was called upon to resign, and a new Cabinet d'Affaires was formed, chiefly of Government officials. During its uneasy life of 4½ days, the Liebe Cabinet had achieved nothing, and the terms of

The Slesvig Plebiscite

agreement were substantially those which the Committee of Action had demanded on April 1.

The King had to capitulate ; but it is absurd to call his action " unconstitutional." It may have been hasty and ill-considered, and the cries of " Long live the Republic " will be heard again. Behind him there manœuvred astute politicians anxious to secure an election on the old electoral law. They, too, suffered defeat, for the Electoral Bill, which was one of the terms of agreement, was passed on April 11 by the newly summoned Rigsdag. And the issue from which the crisis arose is not a matter in which the Danes alone are concerned, even if their interests can be considered at all.

The Allies and Germany are the chief parties to the contract, the Danes being merely beneficiaries under it by the Slesvig clauses. But it is too easily forgotten that the Treaty cannot be taken as a mere text for punitive measures against Germany. The International Commission cannot do more than recommend small local changes on the frontier of the First Zone, and the Allies would strike more seriously at their own prestige than at Germany by any bowing to the clamour of a noisy Danish minority. The Zahle Government at least saw where their own interests lie. The Chauvinist Danes have the less claim to consideration that they agreed, without protest, that nationality alone should decide, but objected to the result when the decision was not in their favour. As the " Opposition " have now returned to power, it is probable that a demand will be made for the internationalisation of the Second Zone or of Flensburg. It is to be hoped that the Allies will realise that such a solution would not only make them guilty of treachery to Germany, but also a false friend to the Danes, who can only reap disaster from the alienation of their powerful neighbour.

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ITALY AND THE PEACE

THE many strange and often strangely contradictory views which are finding expression in this country—in the Press and even in circles where an intelligent enough interest is taken in Foreign Politics—about the condition of affairs and the trend of public opinion in Italy, cannot altogether be explained by the Englishman's traditional inability to mix his understanding with the Latin mind. There has been here a real lack of significant information about Italy. Italian propaganda has been chiefly confined to reiteration of proofs of how much Italy did and risked to help win the war, of how bravely she fought and with what miserable resources, of the justice of her national claims and of her moral right to economic assistance. But propaganda of this kind, however effectively conducted, explains nothing. It may win by arousing our sympathy ; but it fails inevitably to form public opinion in any way capable of helping our statesmen to deal with events in a statesmanlike manner—that is to say, to take the long view and to pursue a consistent policy. Besides, propaganda may be met by counter-propaganda. A deluge of interested opinions in one sense and another soon becomes uninteresting ; and that subtler and more valuable kind of propaganda that seeks to interest the uninitiated in the commercial, artistic and scientific achievements of a particular country, bears fruit too slowly for the man who runs and reads. The statesman has, indeed, the Foreign Office reports to fall back on ; but where the corrective of independent information, unbiassed and of a synthetic character, is absent, it is only too easy for him to be misled. Foreign Office reports are at any rate inaccessible to the public, and the Press, too often lending itself to propaganda, has as a whole starved the public of significant foreign news. Given the importance of Italy, this fact has been particularly noticeable in regard to her.

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During the past year or so, Italy has been represented abroad in a coat of many colours. She has been, on the whole, misrepresented. Over here, in America and in France, if she has not been universally unpopular, she has been at any rate no favourite. There is too much unpleasant gossip at her expense. She is dubbed aggressively imperialistic one day and dangerously bolshevik the next. Her loyalty has been frequently suspect. Where there is smoke there must surely be a fire. Or is it all counter-propaganda? What are the true facts?

Without discounting in these times of bitter strife the possible effects due to counter-propaganda, it must be admitted at the outset that there are certain facts in the situation which, served up to an uninformed public without explanations and in the form of half-truths—and half-truths are often more misleading than untruths—at first sight may indeed look ugly. As a matter of fact they fit into a scheme of things which to a liberal observer is by no means unpleasant to contemplate; and perhaps the most effective way of giving them their true relief is by placing them in correspondence with certain other salient facts of Italy's present condition and immediately past history. It will then be seen exactly how these imputations against her of internal instability, of imperialism, and of bad faith have come to be credited.

In the first place, it is important to take into consideration the peculiar parliamentary situation reigning in Italy at the outbreak of hostilities in August, 1914. The country was governed by a group of conservative gentlemen, who possessed neither a majority in Parliament nor a following in the country. It was a stopgap Ministry. But that is not all. It very soon became apparent that the "Liberal" majority in Parliament, more or less in the pocket of Signor Giolitti, who favoured a policy of neutrality, was losing touch with public opinion, which began more and more to be echoed in Parliament by the various extreme parties of the Left (the official socialists excepted). The Govern-

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ment consequently found itself in the anomalous position of having to depend upon the support of those who normally were its extreme political opponents.

Apart from the obvious disservice to the best interests of the country which a general election would have involved, fought as it was bound to have been fought at that time on the issue of war and peace, in the very face of a mobilised enemy, such a course would have brought no advantage to the Government. Up to the last moment it was doubtful whether the neutralists, who were in a formidable majority in Parliament and even quite sincerely and, as it has since proved, justly alarmed at the economic ravages which war was likely to cause in the delicate fabric of Italy's hardly won prosperity, might not be returned definitely to power. On the other hand, a victory for the war party would have resulted incidentally in a triumph of the Left, a prospect greatly distasteful to a government of staunch conservatives. The course, therefore, which the latter pursued was really the only one open to them—namely, to cling to power, to prepare for war and to allow public opinion gradually to crystallise on the main issue. Events completely vindicated their calculations. When matters came to a head in May, 1915, Giolitti's attempt to box the compass failed utterly in the face of a courageous government and a determined populace, who, descending into the streets throughout the length and breadth of the land, made it abundantly clear that Parliament must be the servant of the people or there would be revolution. The neutralist majority dispersed into smoke. War was declared.

The motives, however, which led the Government to declare war and the people to insist on it were quite different. The people wanted war for the sake of an ideal. They saw in it the opportunity for which they had waited so long of completing the national unity; they saw in it a contest waged between the forces of democracy and of reaction; and they feared that a German victory meant the eclipse

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of Latin civilisation, of which Italy was both the mother and the purest offspring. The government, on the other hand, had approached the problem from the practical point of view of *real politik*. Signor Salandra summed up the attitude of his government in the significant phrase *sacro egoismo*, which will go down to history as the perfect expression of his policy. He was Nationalist from the narrowest Italian standpoint only. His decision was based on a careful balance of probable advantages and disadvantages, weighed on the scales of the old diplomacy and measured by the eye of a short-sighted conservative statesman, who both feared and distrusted democracy.

His chief concern in deciding on war was precisely this. What demon would not war unloose? He was unable to conceive his country's good as distinguished from the preservation at all costs of its monarchical institutions and the pseudo-aristocratic order of society. He was perfectly aware of the threat to the existence of the Austrian Empire, but he neither foresaw its inevitable collapse nor desired it. He desired only to weaken it. If the most ancient monarchy in Europe fell, what might not be the repercussions in Italy where monarchical traditions have no deep root? His hope of victory in short was a draw in favour of the Allies after a comparatively brief, successful campaign, in which the weight of Italy's aid would emphasise the parity of the contending forces, and, therefore, the unlikelihood of a decisive victory on either side. He completely under-estimated Germany's ruthless ambition if he did not altogether under-estimate her strength. In fact, he calculated on Germany's willingness for an early compromise after her initial failure to secure a decision.

Baron Sonnino, who became his Foreign Minister in the autumn of 1914, on the death of the Marquis di San Giuliano, became henceforth also the real power in the Government. In him was continued Salandra's policy after the break-up of the Salandra Government, and right through until his own fall following his failure at the Peace

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Conference. He was able to retain the reins of power solely on account of the curious Parliamentary situation at a time when public opinion had no chance of asserting itself against Parliament. His personal integrity and sincerity, and his reputation of being a strong man, which his silence had earned him, procured him support in many quarters otherwise hostile to him. The Liberal majority as a whole supported him, for they, too, desired a compromise peace for the same reasons, chiefly economic, that had led them at first to be in favour of the maintenance of neutrality. The Left, who were not strong enough to form a Government of their own, preferred him to the "Liberal" ex-neutralists, because, after all, in spite of his reservations and ultra-conservatism, he had, at any rate, earned their gratitude by bringing the country to the support of the cause they believed in.

The whole of the vigorous thinking manhood of the country was under arms, and therefore to that extent gagged. The only alternative Government, short of having a general election, which was out of the question, was one that could not be trusted to prosecute the war whole-heartedly. It is not, therefore, surprising that Baron Sonnino seized the opportunity, and that successfully, to exploit the situation to the advantage of the policy which he sincerely conceived to be in the best interests of his country. He exploited by the control and censorship of the Press the general prevailing ignorance as regards the exact limits of Italy's just national claims. His silence prevented his differences of opinion with the majority of his countrymen from ever being placed in too great evidence, and with the advent of victory the belated attempts to bring about his downfall were doomed to failure. Throughout the war, therefore, and throughout the peace negotiations, the Italian people was represented by a statesman who shared none of their ideals.

This fact explains a great many things. It explains the unjust secret Treaty of London, both as regards the

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Italian claim to Dalmatia and the omission to claim Fiume, which it was contemplated would remain the port of a weakened Hapsburg Empire, dominated by Hungary, who could be relied upon to protect against the Slav the Italian element. It explains the delay of Italy in declaring war on Germany. It explains the intrigues of the Italian Government in favour of ex-King Constantine of Greece. It explains the subsequent intrigues, or rather toleration of intrigues, during the Peace Conference by the Italian military and diplomatic representatives in the occupied territories and in Hungary in favour of saving something of the wreck of the old order. It explains the charge against Italy of imperialism, and, to a certain extent, that of bad faith. It also explains President Wilson's appeal to the Italian nation over the heads of her representatives.

President Wilson was as often theoretically in the right as he was practically in the wrong. For the moment—given the influence of a Government-controlled Press, the legacy of bitterness which the atrocities by Croatian troops left behind, and the inevitable ignorance of the masses as to the exact rights and wrongs of an extremely complex, technical and debatable problem—the result of his appeal could only be to rally a proud and sensitive people in the face of an apparent interference by a foreigner to the side of a Government of which in reality they were already heartily sick; all the more because he was one who was already completely discredited in their eyes on account of his failure in other respects to uphold at the Conference the ideals of the just peace he had once so vociferously advocated. The day of reckoning was, however, not far off. Before the end of June the Government had fallen, and it had fallen as much on account of its general attitude at the Conference as on account of its failure to settle satisfactorily the Adriatic question. Signor Turati, the Socialist leader, spoke for the vast majority of his countrymen when he denounced the Government in the following terms: “*How can you expect justice*

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to be done to you when you have persistently connived at so many injustices yourself?" The rank and file of the Liberal Party, which, apart from certain interested groups, had now no more reason to support the Government, rallied before the pressure of public opinion under the leadership of Signor Nitti, the most experienced of the younger members of the "old gang," and about the only Liberal leader who, in spite of his neutralist antecedents, was nevertheless acceptable to the Left.

From this moment things at last began to fall into a position of equilibrium as between Parliament and the country. The people had not long to wait before having an opportunity of declaring their opinions. After the rapid passage of a Reform Bill, which established the principle of proportional representation, Parliament was dissolved, and the general elections took place. The verdict of the country was precise on every one of the main issues. First, the avowed Nationalists (Imperialists) who had made such a clamour in the Press, had spoken so big and had acted so daringly, and had consequently given the impression abroad of being a real power in the land, succeeded in returning three members only. Even added to the remaining members of the extreme Right, their numbers count less than one-twentieth part of the new chamber. Next, the ranks of all the Liberal groups who had persistently failed to understand the moral necessity of the war were decimated. Lastly, the parties which could alone be counted upon to hasten forward the reform of the country's institutions in a democratic sense, to cultivate peace and a sincere internationalism, namely, the Socialist and the Catholic, were returned in preponderating numbers.

Thus the Italian people alone among the Allies have reaffirmed in the hour of peace and victory the ideals which in the hours of doubt and trial had sustained the common cause. The temporary reaction against these ideals which has characterised the public temper in Britain, and

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especially in France, has been scornfully and somewhat bitterly refused by Italy. Never was public opinion anywhere so perfectly united on an issue as it is in Italy in regard to the paramount necessity of a complete revision of the Peace Treaty, which is universally condemned as unworkable, unjust and a shameful violation of the armistice terms. This opinion is shared by the present Government, though the Prime Minister might not think it expedient to admit it. Signor Nitti is pre-eminently an economist, and he sees, quite rightly, that the main problem before Italy and Europe at the present moment is an economic one. He is resolutely determined to insure his country's health before embarking on any policy wherein there may lie elements of risk. Though the more democratic parties profoundly distrust his opportunism, they feel that a certain degree of opportunism is a necessity, given the absolute economic dependence of Italy at the present moment on the foreign Governments pledged to enforce the Treaty as far as its economic and territorial stipulations are concerned.

In these circumstances it is not surprising to hear Italy spoken of as pro-German and pro-Bolshevik. The noisy Bolshevik element in the Socialist party, the marked democratic tendencies in Italy in contrast to the general spirit of reaction elsewhere, the desire of all parties to enter into commercial relations with Soviet Russia and to recognise the *de facto* Soviet Government, all go to reinforce the latter imputation. As a matter of fact, there is no prevailing feeling of friendliness for either the Germans or the Bolsheviks. There is a passionate desire on the other hand for peace, and Italy believes there can be no peace unless it is a peace of reconciliation. She desires, too, a re-establishment as soon as possible of normal conditions of production and exchange in Central and Eastern Europe, a hope severely jeopardised by the economic clauses of the Peace Treaty and by the refusal of the Entente to come to terms with Russia. What anti-English or anti-

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American sentiment there is in Italy to-day is due fundamentally to the feeling she has of dependence on England and America, a dependence which prevents her coming out in her true colours as a world leader of sane democratic opinion, until a change of attitude begins to manifest itself in these countries. Italy is prepared to await, though somewhat impatiently, that day, which cannot be long delayed. But she looks to Signor Nitti to act courageously and unmistakably when the psychological moment arrives, so that she, who has never deserted her ideals, may receive the world's homage due to her on that account.

Whether Signor Nitti, or any other possible Italian Premier, has the largeness of vision necessary in order to be able to rise to this occasion remains to be seen. As far as the British public and British statesmen are concerned, however, the essential facts to grasp as regards Italy now may be summed up in conclusion as follows: Italy stands for democracy and a sincere internationalism with no respect of persons. She repudiates any idea of violent revolutions, and is for the moment chiefly concerned with her economic problems, which she is confident and resolute to resolve. The labour unrest is no graver in Italy than elsewhere, and her willingness to work and to produce is in many respects more evident. She is solid in favour of a revision of the Treaty, especially as regards the economic clauses, the Saar valley, the prohibition on Austria to join Germany, and the unfair treatment of German interests in the control of the internal waterways of Germany. She would also like to regard the frontier-drawing throughout South and Eastern Europe as purely provisional, which it will be the first duty of the League of Nations to revise according to the common sense principles which in nine cases out of ten nature imposes. For the moment she acquiesces in the present arrangements out of a spirit of opportunism, given her position of dependence. She desires to cultivate cordial relations with all peoples, to enter into no alliances. It may, in

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fact, be taken for granted that if her Government contracts any secret treaty it will never be considered binding by the country. Lastly, she looks forward particularly to the time when public opinion in France will allow of an intimate collaboration with that country. In spite of all the old rancours and jealousy and the present divergence of aims that exist between the two sister nations, there is no question that Italy stands for a Latin foreign policy, that is, a gradual drawing together, under her eventual leadership, of all those countries which possess Latin ideals of civilisation, to form a strong, self-sufficing league within the League of Nations, strong and populous enough to stand in a position of equality with any actual or possible Anglo-Saxon combination.

Amid the tangle of opinions and moods that find expression in a country so intensely alive and infinitely individualised as Italy, these are the salient facts which stand out in the view of any impartial observer who refuses to allow himself to be confused by the restless complexity of the detail.

UNITED KINGDOM

I. THE POSITION OF THE GOVERNMENT

THE domestic politics of the last quarter have seen a very obvious improvement in the position of the Government. All the usual tests confirm the change, and there is no mistaking the verdict of the recent by-elections. THE ROUND TABLE went to press last February on the eve of Mr. Asquith's return for Paisley, and just at the end of a series of contests in which Labour, without actually securing many seats, had everywhere shown substantial progress in the constituencies. Since that time no fewer than eleven by-elections have taken place, five of them the result of changes in the Ministry. In nearly every case high hopes were expressed in advance in the various Opposition parties. In several of them the Opposition candidates were prominent persons, specially imported with a view to winning the seats. Yet in no single case did the representative of the Coalition suffer defeat, and, what is more remarkable, the polls on the average showed little falling-off from the figures of the General Election. Thus Sir William Sutherland, the Prime Minister's former private secretary, secured a majority of nearly 5,000 in Argyllshire, while Dr. Macnamara actually lowered the Labour vote in Camberwell. In Stockport, where two vacancies occurred simultaneously, the Coalition scored a remarkable double victory with a Conservative and a Liberal running in double harness; and a seat, formerly held unopposed by Mr. Wardle, was lost to the Labour

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Party. Basingstoke and Northampton went the same way, the latter with an adequate, if reduced, majority of more than 3,000 over the Labour candidate, Miss Margaret Bondfield. So did both divisions of Edinburgh, where Mr. Runciman brought the whole strength of the "Wee Free" Liberals into the contest; and the list ends with Sir Hamar Greenwood's easy re-election for Sunderland on his appointment as Irish Secretary. The one outstanding Labour poll was at Dartford, where Mr. Mills succeeded in beating all his four opponents put together, and replaced an old-fashioned trade unionist by a politician of a far more advanced type.

These by-election results are not to be disputed. They may not be repeated, but they are signs—at all events for the time being—of a phase in public opinion which is palpable enough in other directions. The plain truth is that, except for the heated politicians of the Lobbies and the Press, no one has time in these days for the kind of party controversy which was so absorbing to previous generations. Those who look below the surface know that an immense amount of unobtrusive hard work is being done in England to deal with an unprecedented economic situation. Financiers, bankers, manufacturers, heads of every kind of industry and commerce, are absorbed as they have never been absorbed before. The very last thing that these men desire is the distraction of a political upheaval. They cannot afford to be bothered with the clamour of men whom they suspect of merely personal pique and ambition; and, while the character of the Government is certainly of the utmost importance to them, they are not disposed to make a change till they see their way clearly to a better alternative.

In the first period of universal dissatisfaction after the war the search for alternative Governments and for permanent parties was brisk enough. There was a remarkable rush, for example, to the Labour Party, which had formally invited the support of workers "by brain" as

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well as "by hand"; and no doubt the fortunes of political Labour are always steadily improving. But the real objects of the Labour Party, as at present constituted, are becoming better and better understood as bearing little relation to the speeches of its more moderate and experienced leaders. There is a growing doubt of the capacity of these men to control their rank and file in office, and they themselves are the first to admit that immediate office is beyond their unaided competence, and, indeed, beyond their own wishes. They will take it when they can get it, but they are in no hurry for it, and the public at large is in no hurry for the experiment.

Nor is there any popular enthusiasm any longer for that revival of the old Liberal Party, as an opponent of the Coalition, which was vociferously promised as the consequence of the Paisley election. Mr. Asquith's return to Parliament was desired by so many sections, on so many different grounds, that it was always in fact a foregone conclusion. But only the shortest or the most interested memories found a reason for supposing that it would mark a new epoch in our politics. There was never any fundamental difference between Mr. Asquith's policy, as expounded in his election speeches, and that of Mr. Lloyd George; and the solitary difference which he has found since he came back to Westminster—his rejection of the Prime Minister's attempt at an Irish settlement—has proved more disconcerting to his own backers than to anyone else. His reappearance has unquestionably accentuated the schism in the Liberal organisation, and there is a violent and rather indecent struggle in progress for the possession of the "machine" and the party funds. But the bulk of the population, who have other things to think about, are no longer greatly interested in a quarrel which seems to have no true division of principle behind it. The general effect has rather been to strengthen the hands of the Coalition as being at least a genuine attempt to subordinate party rivalries and personal ambitions to the achievement by a

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fairly competent team of Ministers of a task too heavy for any sectional Government.

Meanwhile, quite apart from the public dissatisfaction with his rivals, Mr. Lloyd George has materially improved his personal position both by more regular attendance in the House of Commons and by his conduct of foreign affairs. This is not the place to discuss the San Remo Conference—a notable landmark in the chequered history of the Peace, of which some aspects are considered at length elsewhere. It is not altogether inappropriate, however, to note that San Remo has had its reaction upon our domestic politics, and that the Prime Minister's success in maintaining both the solidarity of the Alliance and his own correct instinct—and that in the face of a peculiarly unscrupulous attack from his enemies—has lately won him fresh support at home.

II. MR. CHAMBERLAIN'S BUDGET

IT was thus at a comparatively favourable moment for the Government that Mr. Chamberlain introduced his Budget on April 19 in a speech which was recognised as unusually candid and luminous. He began, according to custom, by reviewing the financial position with which he had to deal. The expenditure for the past year had amounted in the end to £1,665,773,000, a colossal total, but considerably less than the revised estimate. The revenue, on the other hand, had greatly exceeded the estimate, largely owing to the increased yield of the taxes on spirits, beer, tobacco, and tea, and amounted to £1,339,571,000. The resulting deficit of £326,202,000 was thus nearly £147,000,000 smaller than had seemed probable last October. And revenue had provided four-fifths of the Exchequer issues during the year, less than one-fifth coming from loans. It was a good record that even during the years of war as much as 36·17 per cent. of the expenditure had consistently been so pro-

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vided. Meanwhile the dead-weight debt at the end of the financial year stood at £7,835,000,000, of which roughly one-sixth was floating debt, a diminished proportion of the whole, but still presenting a difficult and most urgent problem. Mr. Chamberlain here interposed a thoroughly well-deserved tribute to the work of the War Savings Committee under the chairmanship of Sir Robert Kindersley, and announced that the system of savings certificates would be continued.

For the current year the expenditure was estimated at £1,184,102,000, and the revenue, on the existing basis of taxation, at £1,341,650,000. Both figures inevitably contained certain large items which were not strictly attributable to the year's working, but these roughly balanced one another, and the result was an estimated surplus of £164,000,000—a beginning, but not a sufficient beginning, of the reduction of the debt. The Chancellor of the Exchequer proceeded therefore to outline his scheme for increasing his margin.

Dealing first with the Post Office, which had sunk from a revenue-producing to a subsidised department, Mr. Chamberlain proposed to balance the present expenditure (due to increased wages and bonus) by increasing the minimum letter postage to 2d., newspaper postage to 1d., postcards to 1½d., and telegrams to 1s. He further foreshadowed higher telephone charges. Incidentally he announced his acceptance of the recommendations of the Departmental Committee to substitute a higher tax on motor-cars as from January next for the existing petrol duty, though the Road Fund and not the Exchequer would in this case derive the benefit. Nor, it may be added, is the Exchequer affected one way or the other by Mr. Chamberlain's next announcement—the occasion of some not unnatural mirth—that the famous Land Values Duty was henceforth to disappear. It was already in abeyance, had produced practically no revenue, and survived, in so far as it survived at all, as the reminder of a violent political

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campaign and of a crop of intricate litigation. The Mineral Rights Duty remains, and so does the Valuation Department of the Inland Revenue.

These were the trimmings of the Budget. The serious part came next with the proposals for new taxation. Mr. Chamberlain began with the liquor trade. Spirits, he said, would pay an additional 22s. 6d. a gallon (raising the price by 2s. a bottle), and would yield in a full year the further sum of £24,500,000. Beer would pay an additional 30s. a barrel (raising the price by a penny a pint), and would yield another £22,500,000. The wine duties, untouched last year, would be doubled all round; while sparkling wines would pay a special duty of half their value—in other words, of about 6s. a bottle of champagne at present import prices. From wine, in a full year, an additional revenue of £4,800,000 was to be expected. Cigars would be treated like sparkling wines, with an additional *ad valorem* duty of 50 per cent.; and with that the total increase from Customs and Excise (after allowing for the repeal of the petrol duty) was estimated at £54,730,000.

Mr. Chamberlain passed to the field of direct taxation. The twopenny stamp on cheques had justified itself already. He proposed in future to double likewise the duty on transfers and on bearer securities, and to increase fourfold the capital duty paid by limited companies. The penny stamp on ordinary receipts would also be doubled, in order to reflect all round the altered value of the currency. From these various changes he expected in a full year to obtain an additional yield of £6,300,000.

The income tax—"the premier tax of the United Kingdom"—would remain at 6s. in the pound as the standard rate, but its incidence would be changed in various particulars, in accordance with the recommendations of Lord Colwyn's Royal Commission, which Mr. Chamberlain described as "marking an epoch" in fiscal history. These changes would not indeed produce more revenue. On the contrary, they would even diminish the

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total yield of the tax. But they would take more account of family responsibilities, would mitigate the injustice of the double income tax, and would generally make the burden correspond more closely with actual ability to bear it. The exemption limit at the bottom of the scale would be raised, and the limit of super-tax lowered, two changes generally expected, but involving the perpetuation of the system under which the great majority of the community has no direct interest in the financial stewardship of its Government.

Mr. Chamberlain's real bombshell came last, in his announcement that the Excess Profits Duty would not only be retained, but would be increased from 40 to 60 per cent. He justified this decision, which had entirely escaped the forecasts, by "the continued prevalence of temporary conditions occasioned by the war, or arising out of the war, creating a condition of scarcity hardly distinguishable in effect from monopoly, which is giving capital engaged in industry wholly abnormal and often extravagant profits." At the same time he offered to leave the duty at its old figure if Parliament should see their way, after hearing the report of their Select Committee, to impose a special levy on war wealth. Mr. Chamberlain's final proposal to levy a new shilling "Corporation Tax" on the profits of limited liability companies passed almost unnoticed after this 60 per cent. Excess Profits Duty, to which it is a minor corollary. The total additional ultimate yield from these two sources he estimated at £100,000,000 and £35,000,000 respectively. For the current year he was content to look forward to an additional revenue from all sources of £76,650,000, and claimed that after such a war, and such gigantic financial sacrifices, the capacity to produce it was proof of "a position of unexampled and unequalled strength."

By the great body of tax-payers the Budget has been received with resignation, even with satisfaction that there has been no increase in income tax or super tax. But the

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retention, and, still more, the increase, of the Excess Profits Tax has called forth very hostile criticism from the industrial and trading community. This hostility is very natural. It might have reasonably been supposed from Mr. Chamberlain's Budget speech last year that this tax would in all probability disappear; no one would have expected it would actually be increased. It is probable, therefore, that many plans of development have been laid on the assumption of its disappearance, which have now been seriously upset. Moreover, everyone, including the Chancellor of the Exchequer himself, is agreed that the Excess Profits Tax is a thoroughly bad tax. At its new level it almost prohibits new developments. It works against economy and in favour of high prices, and, being based on a pre-war standard, becomes more and more obsolete as time goes on. The sooner, therefore, that it disappears and is replaced by some better tax the better for the whole community.

But by what other tax? That is just the question which Mr. Chamberlain's critics have not clearly answered. With taxation at the height it is now, every increase in any direction is not only odious, but can be shown to have very serious results. They shrink therefore from any definite and practical alternative. A considerable increase in the new corporation tax is suggested by some. But, if it were raised to the figure which would be necessary, this tax also would be open to very serious objections. Similarly with an increase in the income tax. Indeed, direct taxation is now reaching a level which will shortly render any large taking of risks in industry, finance or commerce hardly worth while. As matters stand, many businesses may have to pay 15s. in the £1 in taxation, and if, as the flowing tide of activity begins to recede, the chances of losses become greater than of profits, why should these enterprises be carried on at all? It is a question, and one which is also seriously being considered in other countries, whether direct taxation has not now become disproportionate to

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indirect, and whether, if more money must be raised, it should not be by taxes on consumption of one kind and another.

On the main point, that the Government needs all the money it can get, Mr. Chamberlain is certainly right. His first duty is, of course, to reduce Government expenditure to the lowest possible limit. The country cannot afford budgets of £1,200,000,000 a year. It is imperative that the great departments which wish to launch out in all kinds of perhaps desirable but certainly extravagant expenditure should be checked. Our first need is to bring stability to our financial structure. Important as are great schemes of housing, transport and other developments, this is still more fundamental and important. The process of inflation is not yet checked. Wages are still going up; prices are hardly checked; currency is still increasing, and the Government has recently been forced to add to the credit inflation by borrowing large sums by Ways and Means advances from the Bank of England. The strenuous efforts, therefore, which have been made by the Treasury to bring inflation to an end have not yet been successful. Meanwhile, the Government have been forced to raise the Treasury Bill rate to $6\frac{1}{2}$ per cent., and the Bank of England has followed by raising its rate to 7 per cent. City opinion has for long been, and is still, divided as to the desirability of such high money rates. In our view, however, there can be no question but that they are necessary, serious as, no doubt, is their effect. The demands of industry on the banks are becoming too heavy. The endless chain of rising wages, rising prices, increasing currency, Government borrowing on Ways and Means, and greater demands on the banks, must be broken somewhere. Though it may be effective only over a period of time, a rise in the bank rate is the natural remedy.

But if the demands of industry on capital are to be checked by this means, the Government must check its own demands equally. It is useless to curb private industry,

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if Government expenditure on all kinds of schemes involving a call on capital and labour is to run riot. The fundamental fact is that we are now feeling the loss of capital due to the war. High rates are needed to divert capital to those channels which are most profitable and where it is most needed. There is not enough to go round for everyone. If money rates are kept low it can only be by further inflation, and a further rise in prices.

Government economy, as well as the drastic taxation to which we have now to submit, is equally necessary to deal with the great Floating Debt of over £1,000,000,000 of Treasury Bills, which is a constant menace to all schemes of checking inflation. It is imperative that it should be gradually reduced either by taxation or some scheme of funding, and it is on this ground that Mr. Chamberlain's retention and increase of the Excess Profits Tax must be justified. He has now supplemented the surplus of revenue he will have available for the reduction of the Floating Debt by a special issue of 5-15 year Treasury Bonds, the proceeds of which will be devoted solely to the same purpose.

There is no easy escape from our present financial difficulties. We want neither inflation nor great deflation, but stability. Further inflation must be stopped, but great and sudden deflation, leading to a great collapse in prices and a cessation of production, would be equally fatal.

The true cure for our troubles is an increase of production over consumption. But production cannot be increased at will by merely increasing credit; until we have made good our losses it will be hindered by our reduced capital.

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III. LABOUR

LABOUR has been restless this spring. It is seldom otherwise nowadays. Day after day brings its announcement of a threatened strike in one industry or a crisis in another, and the man who gets his news from newspaper headlines must be pardoned if he has sunk into a settled despair. Yet, for all the ferment and forebodings, few people really believe that the country is drifting to ruin, or that British labour is at bottom anything but British in instincts, habits, and ultimate aims. Nothing has happened in the last three months to shake the conviction expressed in the last issue of *THE ROUND TABLE* that the British labour movement, both on its political and on its industrial side, is dominated by good sense, influenced by a deepening feeling of responsibility, and merely diverted by the antics of its Bolshevik irresponsibles.

The salient events in the labour world since our last number went to press are these :

(1) The "direct action" danger has been scotched. By a decisive majority, in defiance of the call of the miners, the Trades Union Congress decided to continue to rely on ordinary methods of political agitation in order to secure the nationalisation of the coal mines.

(2) The miners obtained, by negotiation with the Government, a substantial increase in wages. They had demanded more than they were offered, but by a narrow majority on a ballot-vote they accepted the Government's terms.

(3) The dockers submitted their demand for a national minimum wage of 16s. a day to the ordeal of a public inquiry by an industrial court representative of dockers, dock owners, and the public. The majority of the court found their claim substantiated, and the employers accepted the finding.

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(4) The railwaymen put forward demands for big increases in wages. The new machinery for dealing with railway industrial questions was brought into play. The Central Wages Board, consisting solely of railwaymen and managers, failed to agree, and the application was referred to the National Board, on which the public is represented. Pending this Board's decision, the railwaymen are pledged not to strike.

It will be noticed that the Triple Alliance of miners, transport workers and railwaymen continued to play a prominent part in labour affairs. Increasingly this three-cornered organisation tends to act as the spear-head of the labour movement. It has certain internal weaknesses of which the public is not allowed to learn much, but it derives, alike from the number of its adherents and from the forcefulness of its leaders, a driving power which is half envied and half resented by the smaller or less coherent sections of the labour forces. Lately its general staff has decided that the time has come for embarking on an ill-defined operation known as "breaking the vicious circle." The intelligence officers of the Alliance report with monotonous regularity that every increase in wages, demanded and conceded as a counterpoise to an increase in the cost of living, is promptly followed by an advance in prices at least proportionate to the advance in wages. The Alliance has made up its mind that this see-saw process must stop. How it is to end is another matter. In the meantime the railwaymen show no signs of pausing in their particular wage campaign. Nor do the scores of other groups which are clamouring for higher wages give any indication of a readiness to call a halt. Miners, dockers, railwaymen, and the rest are, as Mr. Frank Hodges (the Miners' Secretary) said on March 11, "swimming in the vortex—wages, wages, wages." The swirl of wages and prices will probably continue until a point is reached—perhaps next year—at which international competition will compel a reduction of prices. There will come then a demand from the employers

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for a reduction in wages, and then only will begin the really critical test of the sanity and sobriety of British labour. How it will emerge from the trial no one can foretell. All that can be said is that so far it has escaped the fevers which have swept some of the Continental countries, and has done nothing to destroy confidence in its native reasonableness.

The four outstanding events already mentioned may be given a brief study. The decision of the Trades Union Congress to reject "direct action" was not unexpected, but it was none the less important; and its significance was heightened by the fact that the House of Commons had already repudiated the policy of nationalisation by an overwhelming majority. The miners themselves were sharply divided on the question, for it was only by 524,000 votes to 346,000 that they decided to vote in the Congress for a general strike. The votes of the Congress are worth recording. They gave a majority of 2,820,000 on a total vote of 4,920,000 against a general strike, and a majority of 2,717,000 on a vote of 4,747,000 for continued reliance on ordinary methods of political propaganda. It is not necessary to search far for an explanation. A year ago labour was in an ugly mood, and might have taken impulsive action without thought of its consequences. In March, when the special Congress met, the reaction of war excitement and Russian incitement had perceptibly weakened, and labour was not prepared to take wild plunges into deep waters. Trades Union Congresses, of course, are apt to disregard the overrated virtue of consistency, and "direct action" may conceivably be approved by some future Congress. So far, happily, there is no sign of backsliding.

The miners, beaten at the Congress, lost no time in selecting another line of attack. Within 24 hours of the refusal of trade unionism to declare a general strike for nationalisation, the miners announced their determination to demand an addition of 3s. a shift to their wages. They carried their claim to Downing Street, and were told by the

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Prime Minister that it would "knock the whole wage system of the country endways." Four days later the Government offered to meet the demand half-way. The miners rejected the offer and decided to take a strike ballot. The Government promptly made an amended offer, meeting the miners two-thirds of the way. A day or two later a third offer was made; it amounted, roughly, to an advance of 20 per cent. on present earnings, with a minimum of 2s. a day. The miners took a ballot on it, and the result, announced about the middle of April, was : For acceptance, 442,704; against, 377,569. The £30,000,000 or more a year which was added to their wages was some compensation to the miners for their defeat on "direct action."

The achievement of the dockers in winning their national minimum of 16s. a day was in marked contrast to that of the miners. The dockers from first to last uttered no threat. They agreed with their employers to ask for a public inquiry into their demand, and the ability of the water transport industry to bear the charge. The inquiry was held under the presidency of Lord Shaw. The case on both sides was argued with great skill and heard with great patience. When the judgment of the court was announced, on March 31, it was found that the majority of the court were in favour of the establishment of the minimum wage demanded by the workmen, coupled with schemes for the mitigation of the evil of casual labour in the docks, on the understanding that steps would be taken to reduce bad time-keeping and other forms of "slacking" on the dockers' part to the lowest possible level. Direct negotiations between the parties followed, and within a few days it was announced that an agreement had been reached for the putting into effect of the recommendations of the court. The incident from beginning to end reflects great credit on both employers and workpeople, and, incidentally, it demonstrates the utility to all parties of the public investigation of industrial grievances and economic problems. Had the dockers chosen to follow the

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ordinary strike tactics, the public would have suffered grave hardship, and the workers would not have secured anything like the full amount of their demand.

Finally, attention may be drawn to the railwaymen's wage demands. In January a new scheme for the regrading of railwaymen and standardisation of wages was accepted in outline by the National Union of Railwaymen, but only by a very small majority. The scheme provided for the readjustment of wages periodically according to the current index figures of the cost of living, and to this the railwaymen took special exception. Early in April, new wage claims came before the Central Wages Board, composed as described above. The Board decided that the locomotive men (whose wages had been stationary since August, 1919) were entitled to an advance of 3s. a week, and the rest of the traffic grades to 1s.; but they agreed to reconsider the situation in May, when the effects of the removal of the bread subsidy on the cost-of-living figure was known. In the meantime, however, the majority of the railwaymen, who were not too generously treated in the January settlement, had seen the miners and the dockers win advances in wages beside which the offer of 3s. or 1s. a week was ridiculous, and accordingly they presented new claims. The National Union of Railwaymen applied for an all-round increase of £1 a week. The Associated Society of Locomotive Engineers and Firemen claimed advances which ranged from 27s. a week for drivers to 15s. for cleaners. The Central Board was unable to agree on these claims, and they were referred to the National Wages Board as an appellate tribunal. By the terms of agreement for the setting up of this new machinery, the railwaymen undertook not to strike until one month after a question in dispute had been submitted to the National Board. Certain sections of railwaymen have ignored this obligation by declaring an unofficial "work to rule" strike, but the majority up to the time of writing have remained steady. Here, as in the case of the dockers' inquiry, a new

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mechanism for the avoidance of industrial conflict in a vital public service is undergoing test. No man can say what the result will be. But again it can be said with justification that, had this machinery not existed, the country would before this have been confronted with a railway strike at least as formidable as that of last autumn.

IV. THE SITUATION IN IRELAND

THE situation in Ireland is evidently drifting to a crisis. Since the issue of the last number political crime has been steadily on the increase. The extreme Sinn Fein wing are now acting definitely on the principle that they are an army at war with Great Britain, and that attacks on policemen and officials are simply outpost affairs where killing is no murder. And that their organisation is extremely good is proved by the fact that about 200 police stations, mostly, it is true, only single houses in a street, were destroyed by concerted action in a single night. In recent weeks two new aspects of lawlessness have made their appearance. Agrarian outrage has reappeared, whereby landlords and large farmers are forced to surrender their holdings under mob intimidation; and the extreme labour organisations have begun to act by proclaiming boycotts on their own. There seems to be little doubt that under the pressure of the violent and unreasoning propaganda of the last year the spirit as well as the structure of social order is rapidly crumbling away.

In consequence, Ireland is terrorised as it has never been in its previous history. It is difficult to say how far the extreme policy of Sinn Fein secures the sympathy of the general population, but it is certain that nobody dares to come out against it, and that the Irish Republican Brotherhood, which is the secret organisation of the extremists, which arranges for the murders, is practically paramount in all that sphere of Irish affairs which falls outside the direct control of the Government.

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While Southern Ireland is thus suffering under a double reign of terror, one military and the other Sinn Fein, the Protestant portions of Ulster are peaceful and prosperous. In the last few weeks, however, a strong agitation has grown up demanding that the three Ulster provinces, Donegal, Monaghan and Cavan, included with Ireland under the new Home Rule Bill, should be brought under the Ulster Parliament.

The policy of the Government for dealing with this situation seems to be twofold. On the one hand, it is doing all it can to destroy the organisation which murders policemen and officials, terrorises moderate opinion into silence and inactivity, and is now rapidly extending its activities to the agrarian and economic field. On the other hand, it is pushing ahead with the Home Rule Bill in the belief that it will be acceptable to moderate Irish opinion, when once the power of the terrorist Sinn Fein organisation has been broken. In pursuit of this first aspect of this policy, as it is impossible to obtain either evidence or convictions against those accused of murder, the Government has resorted to the arrest and deportation of those suspected of complicity in these crimes on a large scale. This policy, which probably led to the arrest of a number of relatively innocent people, provoked a great outcry in Ireland, which found some echoes in Great Britain. Things came to a head in a hunger strike in Mountjoy Prison about the middle of April, when 89 prisoners went on hunger strike as a protest against detention in prison without trial. There is some reason to doubt whether the hunger strike was as sincere as it appeared to be, but at the moment when it was said that most of them had but a few hours to live, and when a general strike was proclaimed in Ireland, and the general feeling of the population had been wrought up to an extreme pitch of excitement, the Government released the hunger strikers on parole and sent them to nursing homes for attendance.

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Immediately before this a change had been made in the personnel of the Irish Government. Sir Hamar Greenwood, a Canadian Liberal, was appointed Chief Secretary, and Sir Nevil Macready, a distinguished military officer who had achieved great success in combating the London police strike and in reorganising the London Metropolitan Police, was appointed commander-in-chief, with instructions to revise the administration. The new Government in Ireland has not, as yet, shown its hand.

The second aspect of the Government's policy has been mainly concerned with the Second Reading debate on the Home Rule Bill, which took place immediately before Easter. There is no doubt that the Government speakers had the best of the debate. The Bill was opposed by the Labour Party and Mr. Asquith, as well as by the scanty Irish Nationalist group. They objected to it on various grounds, but seemed to be unable to produce any alternative scheme which seemed to have as good a chance of dealing with the facts of the case. The Bill itself was finally passed on second reading by a majority of 254. It appears to have commended itself to the House of Commons on two broad grounds: in the first place, because it was based upon a recognition of the three fundamental facts of the Irish Parliament, namely, that Southern Ireland would no longer tolerate British rule; that Protestant Ulster would not in any circumstances accept Dublin rule; and that Great Britain could not agree to the secession of Ireland from the British Empire: in the second place, because it provided the means whereby the people of North and South Ireland could themselves, without further reference to Great Britain, achieve the unity of Ireland on practically any terms short of separation from Great Britain on which they could agree.

The present situation clearly cannot last. There is a suppressed state of civil war in Ireland, in which the social order is rapidly dissolving. Either the Government must suppress the armed conspiracy against law and the Union,

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and so let moderation and reason and conciliation once more have a chance to bring about a settlement on constitutional lines, or it ought to surrender and make the best terms it can with the victors. Nothing could be worse than to allow these present disorders to continue indefinitely. We have no doubt that the first is the right course, and that the first step towards settlement is the re-establishment of the law by the punishment of murder and assassination as they deserve.

There is much evidence that both moderate Sinn Fein leaders and the Roman Catholic hierarchy are seriously alarmed as to whether they have not raised a monster which is now passing rapidly out of their control. As we said in our last article, the new Home Rule Bill is an attempt to solve the Irish question by moderation and reason. If the moderate and reasonable men could recover authority in the South of Ireland, the Bill would undoubtedly enable them to secure within a comparatively short space of time a settlement which would satisfy both Nationalist Ireland and Ulster, and would be acceptable to Great Britain also. But Ireland to-day is not moderate; extreme views dominate it from one end to the other. Reason and conciliation hardly have a chance, and every outward sign still points to the absolute rejection by the South of the proposed Bill, and to an irreconcilable reaffirmation of the policy of refusing to consider any settlement short of the establishment of an independent republic for the whole of Ireland. The fundamental trouble would seem to be that Ireland is now in the grip of an irreconcilable organisation largely financed and supported from abroad, which is concerned not so much with the well-being of the Irish people as with hatred of England. Its policy is to demand impossibilities and to repress and terrorise all who advocate counsels of reason and moderation in the hope of forcing or frightening Great Britain into a policy which would ultimately lead to the destruction of the British Commonwealth. The situation, indeed, is not unlike that which

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preceded the American Civil War, when the extremists of the South were prepared to break away from the Union rather than moderate their extreme views about the extension of slavery to the West. Similarly in Ireland, the extremists are willing to advocate war rather than moderate their extreme republican nationalism to the point where, while achieving self-government, they can yet live on friendly and co-operative terms with Ulster and Great Britain.

That being so, the only course compatible with the future of the Empire and with a solution of the problem itself is to follow the example of Abraham Lincoln, take up the challenge, and employ all the resources of the State to suppress murder and crime and so make it possible for reasonable men of good will once more to play their part.

London. May, 1920.

CANADA

I. BY-ELECTIONS AND PARTY PROSPECTS

THUS far the session of Parliament has been uneventful and comparatively uninteresting. There was nothing in the debate on the address which greatly attracted the country, except the speech of Sir Thomas White in defence of the general policy and achievements of the Government, urging the necessity of moderate protectionist duties, and suggesting consolidation of the Unionists as "the National Liberal Conservative Party." It has become manifest that the Conservatives, who constitute the bulk of the Government's support, will not have themselves designated as "Unionists," while for Liberals "National Liberal Conservative" has a striking likeness to the name which Conservatives have carried since Confederation. The speech of Sir Thomas White, however, commands the general, if not the unanimous support, of both wings of the Coalition; and, whatever name the party may adopt, the programme will not differ materially from that which he has outlined.

There is still no good reason to think that White will consent to become leader of the party, and undoubtedly Mr. Arthur Meighen commands increasing support in Parliament and in the country. It is expected that Sir Robert Borden, who is now resting in the South, will return to Ottawa towards the end of May, but there is still no assurance that he will be able to resume the active leadership of the Ministerialists. Indeed, the conviction

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of those who have the best knowledge of his condition is that he will never again be equal to any active or continuous participation in public affairs. He will, however, assist in settling the programme of the Coalition, and, no doubt, in the choice of a or success his advice will be influential.

There is still no evidence that the Government gains strength in the country. Nor are the prospects of the Liberal Party improving as its leaders might desire. In two by-elections in Quebec the Liberal candidates were successful. Indeed in Kamouraska, which seat Mr. Ernest Lapointe resigned in order to take the constituency which Sir Wilfrid Laurier represented for a generation, the Liberal candidate was not opposed, while in the St. James division of Montreal no Coalitionist appeared, and the contest was between a Liberal and a Labour candidate. In Timiskaming, in Northern Ontario, where the late Mr. Frank Cochrane was returned in the General Election as a Coalitionist by over 2,000 majority, and where both Coalition and Liberal candidates received the active and energetic support of the official agents and spokesmen of their respective parties, a Labour candidate, assisted by the United Farmers, carried the constituency with a greater majority than Mr. Cochrane secured. The tide still runs with the Farmers and Labour, and few believe that the Government could now survive a General Election. It is clear, however, that the Coalition does not contemplate an appeal to the country. The word from Ottawa is that there will be no dissolution of Parliament until 1923. On Mr. Mackenzie King's amendment to the address, demanding a General Election, the Government had a majority of 34, and, notwithstanding losses in by-elections, it is unlikely that the majority will fall below thirty. Manifestly the Coalition has resolved to hold together until public feeling becomes more settled and an organisation of the constituencies can be effected.

It is argued that the Government has no mandate to continue in office, but it is not easy to think that there is

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much validity in the contention. There was no pledge to the country that the Coalition Cabinet was to last only until peace was restored. Its programme was not confined to war problems. Sir Robert Borden's manifesto covered definite measures of reconstruction, legislation and administration. The Government, therefore, is under no constitutional obligation to dissolve so long as it commands a majority in Parliament. It is doubtful, too, if the Liberal Party is so eager for a General Election. The United Farmers are making greater headway than either the Coalition or the Liberal Party, and if Parliament were dissolved to-day it is impossible to doubt that the Farmers and Labour would constitute the stronger group in the new House of Commons. Possibly they could not be combined as a single group, but it is significant that the Independent Labour Party of Ontario has declared for a radical reduction of tariff; and one feels that if the Farmers and Labour could carry a majority of the constituencies they would find a basis of Parliamentary co-operation. If a coalition of Farmers and Liberals should become necessary, probably Mr. Crerar, Parliamentary leader of the Farmers, rather than Mr. King, would become Prime Minister. This is not a reflection upon Mr. King, for by general agreement he is leading the Liberal Party with tact, discretion and resource. So Sir George Foster is leading the Coalition with a temper, prudence and courage which enhance even his great reputation and prestige. If the Coalition has two years in which to educate the people and to organise the constituencies, all present calculations of the strength of parties in the next Parliament may prove utterly fallacious.

In the by-election in the St. James division of Montreal there was the familiar appeal to the electors to have no dealing with Sir Robert Borden and the Unionists. It was suggested over and over again that this was the essential condition of loyalty to the memory of Sir Wilfrid Laurier and to the sentiment and interest of Quebec. Nothing

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could be more unfortunate than that the racial cleavage should continue, but if the fact is stated there is no intention to lecture Quebec or to assess the responsibility for a distressing situation upon one party or the other. During the contest in St. James, Mr. Lapointe, who is now the recognised leader of the French Liberals, declared that the "conspiracy against Quebec," which had seemed to abate lately, showed signs of revival, and he appealed to all elements in the Province to "gather round one ideal and one party, to stick together, to put up a bold and serene front, and to stave off attacks or attempts that might be made against the oldest Province of Confederation." In reply *The Winnipeg Free Press*, undoubtedly one of the most influential organs of opinion in Canada, speaks without reserve:—

"This is in general harmony," it says, "with the provocative language which has been used in Parliament this session by Mr. Gauthier, Mr. Trahan and Senator Dandurand; and with the crusade which goes on unceasingly in the Quebec Press. These references to the 'conspiracy against Quebec,' and to the necessity of maintaining a 'solid block' for purposes of revenge and of defence, sound like wild and foolish utterances to the people of the other Provinces. They do not know what Mr. Lapointe and his lieutenants are talking about. They know that in 1917 Quebec differed violently from the rest of Canada as to the character and extent of Canada's further participation in the war; and being in the minority had to submit to the will of the majority, as is the rule in all democracies. If Quebec was isolated as the result of that conflict, she isolated herself. The proclaimed grievance and talk of revenge indicate a conviction on the part of those who indulge in these expressions that Quebec has a right, in the last analysis, to impose her will upon the whole Dominion; and that any denial of this right constitutes a 'conspiracy' against that Province. We are afraid that the people of the other Provinces, however desirous they may be of friendly co-operation with the people of Quebec with a view of forgetting some of the ancient griefs, cannot subscribe to any such doctrine. In the controversies over the war, Quebec was mostly wrong. Perhaps it would be wise, in the interests of national harmony, to begin to forgo the unpleasant memories of those days; but this is not possible if Mr. Lapointe, Mr. Rinfret and other enterprising politicians deliberately keep the bitterness alive in the interests of the political party with which they are connected."

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So far as one can see, there are few "signs of revival" such as Mr. Lapointe describes. There are, however, from time to time utterances by newspapers and public speakers in other Provinces which Quebec could only be expected to resent. But they are not numerous, and they do not express any general feeling among English-speaking people.

II. LORD JELlicOE'S NAVAL PROPOSALS

EVEN extreme autonomists admit that in Lord Jellicoe's naval proposals there is adequate recognition of Canadian national sentiment. The report suggests four alternative naval units, ranging in annual cost for construction and maintenance from \$25,000,000 to \$5,000,000. The first fleet, to cost \$25,000,000, would contain 2 battle cruisers, 7 light cruisers, 1 flotilla leader, 1 destroyer parent ship, 16 submarines, 1 submarine parent ship, 2 aircraft carriers, 4 fleet mine-sweepers, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers. The second, to cost \$17,500,000, would embrace 1 battle cruiser, 5 light cruisers, 1 flotilla leader, 6 destroyers, 1 destroyer parent ship, 1 aircraft carrier, 8 submarines, 1 submarine parent ship, 2 fleet mine-sweepers, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers. In the third fleet, to cost \$10,000,000, there would be 3 light cruisers, 1 flotilla leader, 8 submarines, 1 submarine parent ship, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers; and in the fourth unit, to cost \$5,000,000, there would be 8 submarines, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers.

It is suggested that Canada should consider naval defence, firstly, from the standpoint of her own safety; and, secondly, from the broader standpoint of the safety and security of the Empire. For the protection of the ports and commerce of the Dominion it is said that 3 light

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cruisers, 1 flotilla leader, 12 torpedo craft, 8 submarines with 1 parent ship, and certain auxiliary small craft for training purposes are required. Lord Jellicoe also emphasises the necessity for aircraft as complementary to an effective navy. He holds, too, that there should be the closest relationship between the Canadian Navy and the Royal Navy, that the ships should be of similar types, and the personnel actuated by common motives, subjected to common training, and imbued with common traditions. He urges the importance of a uniform system of service common to all the navies of the Empire, and adds :—

Whilst in war the general plan of campaign must necessarily be directed from one central authority, it may still be desirable to depute local authority to carry out part of the plan, especially that part dealing with operations in far distant waters, on account of the delays involved in communicating intelligence and instructions. This will necessitate an efficient staff organisation at Dominion headquarters. Intelligent co-operation in this respect can only be acquired by uniform principles of command and staff work, and a common understanding of tactical and strategical requirements. For this reason it is desirable that Canadian staff officers should receive their training at the Naval Staff College at Greenwich, in conjunction with the officers of the Royal Navy and the other Dominions.

It is advised that the fleet be administered by a Minister and a Naval Board, subject, as other departments of government, to the Canadian Parliament ; and therefore it will be seen that Lord Jellicoe definitely recommends a Canadian Navy, but urges an intimate relation with the Royal Navy and such training and organisation of the fleet of the Dominion as will ensure the most effective co-operation for the common defence of the Empire. It is understood that the Unionist caucus was not very favourable to the immediate assumption of any great obligation for naval defence. It was contended that the war had laid a huge burden upon the Canadian people, that still further expenditures would probably have to be assumed in connection with the re-establishment of soldiers, and

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that until the future naval programmes of Great Britain and other countries were more definitely settled Canada would be unwise to sanction heavy naval appropriations. There is reason to believe that the fourth proposal of Lord Jellicoe, involving an annual cost of \$4,500,000 or \$5,000,000, will be submitted for the approval of Parliament, and that the British offer of vessels to constitute the nucleus of the Canadian fleet will be accepted. Thus there will be no immediate capital outlay, but from the first a personnel of 1,500 officers and seamen will be required. In the meantime the naval service will be demobilised and a complete reorganisation effected. In this connection there are whispers that the service is overmanned, and that as far as practicable British officers will be replaced by Canadians, or, at least, the Canadians now in the Imperial Navy will have a preference in Canada.

Naturally the Liberal Press and the leaders of the party contend that Lord Jellicoe's proposals condemn the Borden naval programme. It has to be remembered, however, that the Borden project was designed to meet an emergency, and it was even provided that the Dreadnoughts to be added to the Royal Navy should be subject to recall if the final decision of Canada should be in favour of a Canadian Navy. The truth is that the naval controversy was not creditable to either political party. The Laurier proposals were grossly misrepresented by the Nationalists of Quebec, and resisted in sheer partisan obstinacy and malignity by a wing of the Conservative Party. In turn, and with amazing partisan ferocity, the Liberals and Nationalists opposed and defeated the Borden programme. It is manifest that the attitude of Quebec is unchanged. Perhaps that could be said with equal truth of the Liberal Party; but *The Globe*, of Toronto, is not less favourable than *The Mail and Empire* to the Jellicoe proposals. In Parliament there seemed to be no substantial differences between the Unionists and Mr. King, leader of the Liberal Party. But it is too much to expect that the Liberal

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representation from the Province of Quebec will be a unit in support of naval appropriations. *Le Soleil*, organ of the Liberal Party for the Quebec district, expresses the hope that Lord Jellicoe will not be disturbed by its candour when it tells him that none of his plans for a Canadian Navy are acceptable.

"None of the projects," it says, "appeal to us, and they should be thrown into the waste-paper basket. For what reason? Because, firstly, Canada has not the money to spend millions on the building of a navy; secondly, the navy is not necessary; and, thirdly, the British fleet, increased by millions of tons during the last few months, is sufficient for any task that may be assigned to it. Canada has not the financial resources to undertake the construction of ships of war, to furnish them and to send them abroad in order to keep in idleness young fellows who would be of more use elsewhere, and it is only those whom jingoism blinds who could imagine that she could."

Le Soleil offers *The Manchester Guardian* as authority for the statement that there is now no conceivable emergency with which the British Navy is not amply adequate to cope, and asks: "Where is the danger, then, since Lord Jellicoe himself realises that Germany is no longer to be feared? Would it be along the coast of Japan? The United States has less fear of this than China. We see nothing else than the detestable designs of conquest which are nurtured by the Imperialistic clique." It insists that the British Fleet is proportionately stronger than it has ever been before, and that there is, therefore, less cause for anxiety; and it asks: "What is the reason for the coolness that exists at this very day between France and England if it is not that England has been assiduous in securing the lion's share in the division of the German tonnage." So *Le Soleil* concludes that "His Majesty's Navy ought not to be in such straits that it must appeal to Canada to contribute to its increase," and "poor Canada, which has so much to do at home," is urged not to think of the fanatics "who are out to enmesh her in such an adventure." She is advised to let it be known that she cannot, does not wish

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to, and ought not to accept any of the schemes of Lord Jellicoe. "None of them at all."

La Presse says: "Thank you, Lord Jellicoe; no!" It argues that the finances of the country will not permit us to promenade in either the one or the other of the four projected "galleys," and that it is not incumbent on a Government whose mandate of war long since expired to come to any decision on a new question of such vital importance to the nation. "The duty of the Administration, if it really intends to adopt any attitude at all in relation to Lord Jellicoe's report, is first to consult the Canadian population in a General Election."

La Patrie also insists that the Government has no mandate to decide what shall be the naval policy of Canada.

"As far," it says, "as we can judge public sentiment which has found expression since Lord Jellicoe's visit, the people, exhausted by the sacrifices they have made during the war, little care for the prospect of spending millions annually on useless armaments. They will prefer to develop a mercantile marine which will contribute to the expansion of our foreign commerce and the benefits of which will appreciably aid in extinguishing the heavy load of debt resting on our shoulders."

Le Devoir, organ of Mr. Henri Bourassa and the Quebec Nationalists, warns the country against acceptance of the principle of an Imperial Navy, and fears that opponents may be disarmed by generous concessions over expenditure, "with freedom to take back the concessions later." It suggests that:—

Those who are in favour, above all else, of binding Canada to a policy of permanent co-operation in the naval defence of the Empire as a whole will concentrate themselves much more on an acceptance of the principle of the project rather than upon the assignment of a determined sum of money. They know that when the principle is once adopted, the money will follow one day or another, and in proportions which the "Colonials" at the present time have no idea of. Hence, it is the question of principle which must be carefully watched.

Lord Jellicoe's Naval Proposals

Le Canada, whose editor has just been elected to the House of Commons, points out that the work of national reconstruction on a peace basis has just begun, that neither Canada nor the Empire is menaced, that the time is ill-chosen to raise the naval question, and that "if ever Canada has to face it and find a solution, the better course will be to construct a Canadian Navy." Alone among the French journals, *L'Événement*, the old and staunch Conservative organ of the Quebec district, reserves judgment, but frankly admits the obligation of Canada to co-operate in the common defence of the Empire.

The principle at stake (says *L'Événement*) is very much greater than the question of money. There is already a Navy Act on the statutes, as voted by the Laurier Government in 1910. That, however, remains a dead letter because of differences of opinion and general hostility. Are we to return now to that policy? For our part we are willing to wait until the matter has been discussed by experts and the members of the Government before pronouncing a decided opinion. Like the majority of our compatriots, we were, in 1910, hostile to a programme of naval construction. But tragic events since then have taught us a great deal, and we realise now how easy it is to upset the equilibrium of the world and how difficult it is to re-establish peace and order. In the meantime, and before coming to any settled opinion, let us attach to the question all the importance it deserves, and consider it from the Canadian point of view first, and then from the point of view of our relations with the Mother Country and the other parts of the British Empire.

The Toronto World takes the curious position that Canada cannot afford to accept vessels from Great Britain. It suggests that if it is wrong for Canada to make contributions to the British Navy, it cannot be right for Britain to make contributions to the Canadian Navy. "Vast moral and patriotic issues are involved in the sacrifice of a Government's financial independence." *The World* argues that the Admiralty persists in under-estimating the strength of Canadian national sentiment, that if we cannot pay for our own Navy we must accept an inferior status in the League of Nations; and that once it can be said that what

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Canada has in a navy Britain pays for, "we would be back to the colonial status." It is, perhaps, not surprising that this view seems to be held by *The World* alone. *The Globe* believes that the vessels which Britain offers should be accepted, as they will be, and adds :—

To refuse them on the plea that Canada prefers to construct her own warships at a later period would be to commit the country to a plan of burdensome expenditures that would not commend itself to the mass of the people. Naval defence proposals have been too long a question of political discussion and action only. It is to be hoped that the Government will not slam the door on Britain's offer of ships without being able to give to the country convincing reasons for such an act.

The Globe thinks that "the idea of branching out into a great navy scheme would be repugnant to the people of this country," but, as has been shown, urges acquisition of the ships offered by the Admiralty and the organisation of an aerial defence system as auxiliary to the land and naval defence forces. "A combination of the two plans would seem to be within the means of a country of Canada's size and resources, strained as the latter are for the present with the necessity of meeting many war obligations." Apparently *The Globe* is in substantial agreement with the Government, to which, however, it has ceased to give any general support. *The Winnipeg Free Press* describes Lord Jellicoe's proposals as "the triumph of the policy of Dominion navies," and rejoices that "the rival conception of a single navy under central control, to which each Dominion should make a contribution in keeping with her resources, has suffered complete and final defeat." *The Farmers' Sun*, which is the chief and only recognised mouthpiece of the United Farmers of Ontario, absolutely and unreservedly opposes all naval projects. It declares that we are staggering under a debt of \$2,000,000,000,000; that we require \$400,000,000 annually to keep things going; and that an additional \$10,000,000 or \$25,000,000 for a navy would be a needless expenditure. In *The Sun's* view,

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if we mean to arm against the United States, we must provide not only an adequate navy, but a huge standing army. But it does not believe that there is danger from the United States or from elsewhere, or that we should build a fleet of warships "when every other nation in the world is curtailing."

It will thus be seen that there are still acute differences of opinion in Canada over naval policy. That Quebec remains irreconcilable is unfortunate. There is a strong and general feeling in Canada against any revival of sectarian or racial controversy. It is significant that the utterances of the French newspapers of Quebec have gone almost unnoticed in the English Provinces. But it is not only in Quebec that feeling against any heavy commitment for naval defence exists. Taxation is onerous, serious deficits in the annual accounts can hardly be avoided, the Government hesitates to sanction a new domestic loan, and cannot easily borrow abroad. Hence the general feeling is that new obligations may not be rashly assumed, and it seems to be certain that only a very modest appropriation for any naval project could receive the sanction of Parliament.

III. PROBLEMS AFFECTING IMPERIAL RELATIONS

THREE proposals affecting the constitutional status of Canada and its relation to Great Britain are engaging a great deal of attention throughout the country. The Farmer-Labour Government of Ontario is asking the Legislature to abolish appeals to the Imperial Privy Council. The Federal Government will submit a Bill to Parliament to define the status and duties of a representative of the Dominion at Washington. A conference of Federal and Provincial Ministers will consider a proposal to empower Canada to amend its Constitution without reference to the Imperial Parliament.

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The Bar generally is opposed to abolition or further restriction of appeals to the Privy Council. There are, however, even judges and lawyers who hold that the Supreme Court of Canada can never possess the respect and authority which should belong to the Federal tribunal so long as its judgments are subject to appeal to London. They contrast the great position which the Supreme Court holds in the United States and among the ultimate tribunals of other nations with the inferior distinction and lower reputation of the Supreme Court of Canada. With the public, however, the argument which has effect is that poorer litigants cannot afford to carry appeals to the Privy Council, and that, therefore, rich corporations and wealthy individuals have an advantage over litigants who cannot go beyond the courts of Canada. From time to time the laws have been amended to overcome this objection. It has been provided that cases in which only small amounts are involved shall not be subject to appeal, and that suitors may choose between the Supreme Court and the Privy Council as the ultimate tribunal. In certain cases, however, where an appeal is refused the Court at London, upon argument, may grant a hearing and reverse the judgment of the Court in Canada by which appeal was refused. There has also been a common opinion that, however general appeals might be restricted in constitutional cases, involving perhaps issues in dispute between the Dominion and the Provinces, it was desirable that final judgment should be rendered by the Imperial Privy Council. *The Toronto Mail and Empire* strongly opposes the proposal to be submitted to the Legislature, and contends that without ratification at Ottawa such legislation cannot be effective. It could at most, according to *The Mail and Empire*, only have the effect of requiring a litigant to take the Supreme Court of Canada by the way, for "if his appeal to that court is unsuccessful, no Ontario legislation can prevent his seeking a decision in the highest court of the Empire." It insists that in all British possessions there is the right

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of appeal to the King in Council, and that though an appeal may no longer be recognised as a matter of right, it may still be granted as a matter of grace.

Canada is a full-fledged nation, but that does not mean that we are to hasten to break links that bind Canada to the Empire. National independence is not understood by any of our public men as separation. The Crown is the great bond of union. Even if the six nations of the British Empire were each to become more self-centred, the Crown would remain in the constitution of all of them, and the rights of British subjects would remain to all the people under the British flag.

The Mail and Empire, however, suggests that jurists from the Dominions should have a larger part in deciding appeals from the Dominions, and that, with this in prospect, "To cut off the appeal from Ontario courts would be to bar the promotion of Ontario judges to seats on the bench of the highest court in the Empire." Possibly it would not be incorrect to say that in Ontario lay opinion is uninterested or favourable to limitation of appeals to the Privy Council and legal opinion generally opposed; while in Quebec, which regards the Privy Council as the natural protector of its "rights and privileges," the right of appeal to the "foot of the Throne" is highly valued, and would be relinquished with reluctance. Commenting on the Bill before the Legislature of Ontario, *The Montreal Gazette* says :—

Appeals to the Privy Council have not been popular in Ontario. The members are not liable to be influenced by local sentiment and apply the principles of law and justice without regard to the unpopularity or otherwise of commercial corporations concerned, or to what the newspapers have declared should be done. The abolition of appeals to the Judicial Committee has several times been discussed in Parliament, and limits have been put upon the right. No Parliamentary action has been taken to abolish it, however, partly because, singularly enough, of opposition from the Province of Quebec, and it is doubtful if Parliamentary action will be taken, at least, for a long time. Neither Parliament nor the Legislature of Ontario, moreover, can entirely take away the right of a Canadian

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litigant to seek justice "at the foot of the Throne." That right is inherent in a British subject, and if one presents a proper cause of complaint it will be considered and justice will be done.

The proposal before the Legislature of Ontario is likely to be adopted ; but, as *The Mail and Empire* has pointed out, the legislation will accomplish little unless Ottawa supports the action of the Province.

It is clear that any movement to take power to amend the Constitution without reference to the Imperial Parliament will be resented in Quebec. The French Press has taken alarm and is denouncing the proposal with characteristic vigour. The British North America Act provides that the Provinces may amend their own Constitution, except as regards the office and functions of Lieutenant-Governors, but that the Federal Constitution may be amended only by the Parliament of the United Kingdom upon a joint petition of the Senate and House of Commons of Canada. No such petition has been rejected or is likely to be rejected by the Imperial Parliament. Nor is there reason to think that the Imperial Parliament has desired or is anxious to retain any authority over the Constitution of Canada. The question was first raised by Mr. King, leader of the Liberal Party, in the debate on the Bulgarian Treaty. He suggested that it would be more in accord with the status of Canada as a self-governing nation if the Canadian Parliament had power to amend the Constitution "in such particulars as may be agreed upon as a result of conference between the Provincial and Federal authorities, and approved by this Parliament and the Legislatures of the different Provinces." Mr. Doherty, Minister of Justice, not only agreed with Mr. King, but stated that he had taken up the subject with the Attorneys-General of the Provinces. But although Mr. Doherty represents a Quebec constituency and Mr. King has the support of the bulk of the Quebec representation in the House of Commons, there is general protest in the French Province against rash interference with any of the safeguards embodied in the Constitution. Mr. Taschereau,

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Attorney-General for Quebec, declares that he could not consent to any amendment of the Constitution which would affect civil law, property and civil rights, education, language and religion, the powers of the Provinces over taxation, or the fixed representation of Quebec in Parliament by which the unit of representation for the other Provinces is determined. Mr. Martin, Premier of Saskatchewan, somewhat unexpectedly also questions the wisdom and doubts the necessity of relinquishing the method of changing the Constitution which the British North America Act provides. Since, he says, the Act has operated to the satisfaction of Canada, there is nothing substantial to be gained by changing the machinery now obtaining for its amendment, while "something might be lost by removing the ties which now bind Canada to the Parliament of the Mother Country."

La Presse, of Montreal, declares that "French Canadians, like all others, would like to see the Dominion free itself from the irksome guardianship of the Mother Country as regards matters which solely concern Canada, but at the same time they will insist that those articles of the Constitution which safeguard the rights of minorities in this country as regards religion, language and laws shall not be modified." *Le Soleil*, of Quebec, is not impressed by appeal to the example of Australia and New Zealand, where the population is almost homogeneous, and has the same usages and habits, the same laws and ideals. But the people of Quebec have their own language, their own faith, and their own laws, guaranteed by the Constitution, dearly bought, and not to be jeopardised. "We hope," it says, "that our country will continue to break the bonds which constrict its liberty of action, but we do not wish that the present bonds shall be replaced by chains that will rivet us to Imperialism and to navalism." *La Patrie* says that until it is clearly demonstrated that all the guarantees which the minorities now possess will be neither injured nor sacrificed we cannot see either opportuneness or utility in touching

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the Federal compact. It adds that "it is always dangerous to barter one's heritage for a mess of pottage." *Le Minerve* sees in the proposal "the testimony and the consecration of our Canadian autonomy"; but asks: "Having regard to all that concerns our religious and national rights, can we consent to such a reform?" *Le Canada* views the proposal with apprehension, and believes that "the Province of Quebec, which is granted certain rights by the British North America Act, both in the matter of religion and in the use and the teaching of French, ought to oppose with all the energy at its command an innovation the effect of which might be to change this condition of affairs which made the basis of our consent to enter Confederation."

Generally, the utterances of the English newspapers are in direct conflict with the position of Quebec. As was to be expected, *The Winnipeg Free Press* is outspoken and aggressive in its support of the proposal to vest power to amend the Constitution in the Parliament and Legislatures of Canada. It declares that "a vast majority of Canadians are resolute in their determination that Canada shall be henceforth a nation in name and in fact, and that they are not going to be deflected from their purpose by the fears, whims or prejudices of timid or reactionary elements in the population." It describes Mr. Martin, Premier of Saskatchewan, as "trembling with apprehension lest Canada should secure the power to amend her own Constitution." Mr. Fielding by implication it classes among the colonial reactionaries, and it sees "something ironic and humorous in the attitude of Quebec." *The Free Press* continues:—

Theoretically and nominally Quebec is a stronghold of national sentiment. It is twenty-three years since Sir Wilfrid Laurier proclaimed Canada's nationhood; and he consistently advocated a policy of Imperial relations which favoured the development which has now come to fruition. Because he preferred to proceed by cautious and orderly methods a large proportion of his followers in the Province of Quebec broke away from him and followed Mr. Bourassa, whose nationalism was of a more aggressive type. But

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Quebec, too, flinched at the prospect of Canadians securing the right to modify their own Constitution according to their needs. Quebec, for all her brave professions, would apparently accept in perpetuity a status of subordination in preference to self-government if the latter status involved any possibility of infringement through an amendment of the Constitution upon the very special privileges which that Province enjoys in Confederation. In Quebec, as elsewhere, the hard test of reality will separate the Canadians from the little Canadians.

The Free Press agrees that the privileges of minorities and the special rights of Provinces guaranteed by the Constitution must be protected by provisions which will make any modification of the Constitution affecting such rights and privileges contingent upon approval of the Provinces concerned, but it thinks that a two-thirds majority of the people in two-thirds of the Provinces expressed in a referendum should be adequate sanction for any changes in the Constitution which would not affect special rights and privileges. "But," it says, "the suggestion put out at Ottawa that any Provincial Legislature should be given power to veto every proposal to amend the Constitution is not tolerable. It would place the whole Dominion at the mercy of the most backward section." *The Free Press* argues, soundly enough, that the British North America Act requires revision, and that particularly some agreement between the Dominion and the Provinces defining the powers of Parliament and the Legislatures over direct taxation is required. It suggests a Constituent Assembly, at which the Constitution could be recast ; but demands that in any event, and whatever method of revision may be adopted, Canada must 'secure with the least possible delay the power enjoyed by every other country which can claim to be a nation to amend our Constitution in conformity with the desires of our own people and subject to no other form of control whatever.'

The Toronto Globe argues only for power "to enable the Dominion Parliament and Provincial Legislatures by co-operative action to make amendments to the Constitution

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of Canada," and seems to agree that amendments can be made only with the sanction of all the Provinces. *The Toronto Mail and Empire* points out that the requirement of Imperial sanction for changes in the Canadian Constitution is not an "abridgment of our national rights," but was a necessary condition to the pact of Confederation. It emphasises the undoubted fact that if the scheme of Confederation had provided for amendment of the Constitution by the Parliament of the Dominion Quebec would not have come into the union.

It may be (adds *The Mail and Empire*) that Quebec has now more confidence in majority rule in the Dominion and might be willing to have the power of amending the Constitution, subject to Provincial sanction, vested in the Dominion Parliament. If so, we may be sure there will be no objection from Britain. At the present time any constitutional change upon which all the parties concerned are agreed can be passed through the British Parliament without the smallest opposition. The will of Canada and of the Provinces of Canada is the sole determining consideration with the British Parliament.

The Mail and Empire protests that there has been nothing in the history of the relations between Canada and the Mother Country to give the smallest excuse for the habit some public men and newspapers in Canada have fallen into of speaking as if everybody had to be on guard lest Downing Street should beguile us of some of our freedom.

Britain has put not a straw in the way of Canada's progress towards national independence. It is not Britain's fault if the amending of our Constitution is still a function of her Parliament. The power to change the Dominion Constitution could have been obtained by the Dominion Parliament long ago if it had been asked for by Parliament acting under orders of the Canadian people and with the sanction of the constituent Provinces of Canada. We may be sure Britain would have been as ready to concede this power to the oldest of her Dominions as she was to grant it long ago to those younger Dominions—the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa.

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The Montreal Gazette believes that reflection and a better understanding of the proposal will cause much of the hostility in Quebec to disappear. It argues that all the rights and privileges retained by the Province under the Treaty of Confederation can be equally well secured and perpetuated by a Statute of the British Parliament conferring upon the Parliament of Canada power to amend its own Constitution, that there must be unanimous consent on the part of every Provincial Legislature, not of a mere majority, before any amendment can be effected ; and that the British statute conferring right of amendment can be made as potent in protection of the minority, as valid in safeguarding Provincial rights, as is the British North America Act itself. It recognises that the Imperial Parliament is unlikely to oppose any constitutional amendment desired by the people of Canada, and that the proposal to give the Dominion power to amend its own Constitution would "eliminate circumlocution and substitute direct action for a measure of formality." All that can fairly be said is expressed in these few sentences. It is absurd to suggest that there is any Imperialistic objection to the proposal, that Downing Street is alarmed, or that the Imperial Parliament desires to retain authority over the Constitution of Canada. But, unfortunately, there are writers and politicians in the Dominion who will drag Downing Street into every controversy, and who in their visions by day and their dreams by night are disturbed by a school of Imperialists who have not walked the earth in the flesh for a century.

As yet the Bill defining the status of the Canadian Ambassador at Washington has not been introduced in Parliament. There is no doubt that the Government has had consultation alike with British Ministers and with the United States authorities. It is admittedly difficult to have two ambassadors from "equal nations" representing one Empire at Washington. Nor will it be easy for the representative of Canada to have full national status at

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Washington as an attaché of the British Embassy, or even as an ally of the British Ambassador. *The Toronto World*, if one may venture to offer another quotation, touches the situation with shrewd insight and pungent irony. It says, discussing a despatch from London professing to define the powers to be exercised by the Canadian representative at Washington and his relation to the British Minister :—

Will the Canadian representative be a Canadian representative with allegiance only to Canada, or will he be subordinate to the British Ambassador legally, owing his appointment to the authority which appoints his superior ? If he is under Sir Auckland Geddes, and if Canada pays his salary, will he in fact be the servant of London or the representative of Ottawa ? If, during the absence of the British Ambassador from Washington for three or six months some complication develops, say, in relation to the Hawaiian Islands or Canadian shipping in Panama, and the gentleman whom Canada pays but the British Ambassador oversees gets into trouble which might appear to necessitate some disciplinary measure such as recall, who is to do the disciplining ? If something happens that bears on the war, arising perhaps from the United States having accepted the mandate for Armenia or Mesopotamia, will the Canadian representative at Washington be presumed to act for Britain without responsibility to Britain, or will he be held to commit Canada in any way when acting as British Ambassador ? It will be a triumph of diplomacy indeed to instal a minister plenipotentiary in Washington who will represent two nations without being finally accountable to either. War is teaching us many things.

But possibly, as so often happens in the evolution of the British Empire, what seems to be confusing and difficult in theory may in actual practice have none of the elements of misunderstanding or conflict.

Debt and Taxation

IV. DEBT AND TAXATION

THE country is somewhat sobered by the estimates submitted to Parliament by the Minister of Finance and the magnitude of the deficit on the National Railways. The total of the main estimates is \$537,000,000. Deducting \$38,400,000 provided for demobilisation, the total is \$500,000,000, as compared with main estimates a year ago of \$437,600,000. The supplementary estimates probably will increase the amount to \$600,000,000, as against a revenue unofficially estimated at \$365,000,000. For the last financial year the ordinary revenue reached \$380,832,000 as compared with \$312,946,000 for the year preceding. The customs revenue increased from \$147,169,000 to \$167,429,000. The war expenditure was \$343,544,000, chiefly for demobilisation and gratuities. The debt rose from \$1,574,531,000 to \$1,935,946,000. For this year the estimates show a reduction of \$311,536,000 for demobilisation and of \$41,000,000 for capital expenditure. These figures, however, do not include a railway deficit of \$47,000,000.

The deficit on operation of the Canadian National Railways was \$14,000,000, and on operation of the Grand Trunk Pacific \$5,500,000. On capital cost of the Canadian National Railways the interest was \$19,000,000, and on capital cost of the Grand Trunk Pacific \$8,500,000. The old Grand Trunk has not yet been absorbed in the Canadian National Railway System. The Minister of Railways insists that Parliament must decide whether the deficits are to be met by increase in freight and passenger charges or carried in general taxation.

Sir George Foster, speaking for the Government, has declared unequivocally that additional money gratuities demanded by the Great War Veterans' Association will not be granted. The total of such gratuities, according to the

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Association, would run from \$250,000,000 to \$500,000,000, but the Minister estimates the amount at between \$400,000,000 and \$1,000,000,000. While rejecting the demand, the Government gives assurances that all cases of hardship among veterans will receive thorough and sympathetic consideration, and a Parliamentary Committee has been appointed to review pensions, allowances for disabled soldiers and their dependents, and all other provisions for re-establishment. If the Minister of Finance adheres to his statement that no new loan will be made this year, it is manifest that further heavy obligations cannot be assumed, and the utmost economy must be practised if a very wide gap between income and outgo is to be avoided.

Canada. April, 1920.

AUSTRALIA

I. SIR EDMUND BARTON

THE death of Sir Edmund Barton has removed, not the last, but one of the last, and certainly the foremost of the group of men who achieved the union of Australia. Any political and party antagonism associated with his position in State and Federal politics died down long ago, and for the last seventeen years of his life, which he spent in the comparative serenity and retirement of the High Court bench, he has enjoyed the esteem, the confidence, and the affection of every class of his fellow-citizens. Of late ill-health has pursued him; but the genial and lovable disposition which he retained through all the asperities of strenuous political life, and which had endeared him to countless friends in all parts of Australia, remained unchanged till the end. His death, which came suddenly, evoked, besides sincere personal sorrow, a deep and widespread recognition of the services he had rendered to Australia and the Empire. His name will stand among the greatest in Australian history.

He was not, and could not have been, a success in the ordinary everyday work of politics. Although he had had wide political experience, he had a certain indolence of temperament which made him somewhat indifferent to the trivial everyday issues which make up so much of political life in all countries. This indolence disappeared, however, where the great issues of Imperial and Australian unity were concerned. The fight for the federation of Australia

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called out all the energy, the enthusiasm and the ability he possessed. When Sir Henry Parkes died in 1896 his mantle fell on Sir Edmund Barton. It was he who maintained public interest in the subject between 1891, when the first draft of the Constitution was made, and 1897 when a popularly elected Convention began the work of framing the Constitution of the Commonwealth. That Convention sat until 1898. He led its deliberations with unflinching tact and ability. When the draft Constitution was submitted to a referendum, he headed the forces which worked, against bitter opposition, for its acceptance. The Constitution, having surmounted its difficulties in Australia, had to be presented to the British authorities for enactment by the Imperial Parliament, and Sir Edmund Barton led the delegation of Australian representatives to London, and had the main responsibility for the negotiations with the British Government which preceded the introduction of the Commonwealth of Australia Constitution Bill into Parliament. When the Constitution was ultimately brought into operation, he appropriately became the first Prime Minister. His colleagues, unquestionably the ablest body of men ever brought together in any single Ministry in Australia, were a difficult team to handle. Nearly all of them had been Premiers in their respective States. Most of them were men of strong character. They had had no previous political experience in common. They had to work in new fields of policy. It is doubtful if anyone except a man of Sir Edmund Barton's qualities could have held them together. They differed about many things, but they all agreed in their affection for their chief.

In 1903, after two rather turbulent years of office, he took a seat on the bench, where his intimate knowledge of Constitutional law and practice was of the greatest value. Since then his public appearances have been few and far between. The war afforded opportunities from time to time for the public expression of his pride in and his love

The Federal Elections

for the Empire; and his speeches on various occasions connected with it showed that his assiduous performance of his duties on the bench had not destroyed his appreciation of great moral and constitutional issues. He died, hardly, indeed, an old man, but still in the enjoyment of :—

“ that which should accompany old age,
As honour, love, obedience, troops of friends.”

And in him Australia and the Empire lost a loyal and devoted servant.

II. THE FEDERAL ELECTIONS

THE result of the Federal elections in December last was to leave the Hughes Ministry with a majority of three over all other parties in a House of seventy-five members. The figures for the House of Representatives were Nationalists 39, Official Labour 26, and Farmers' Party 10. In the Senate, however, eighteen out of the nineteen vacant seats (in Tasmania there was one casual vacancy to be filled) were won by Nationalists, the other seat going to the Official Labour Party. Preferential voting was used for both Houses, but as it was devised to give majority representation in all cases, it naturally failed to give representation to parties according to the number of votes polled. The numbers of first preference votes recorded for candidates of each party in the Commonwealth were Nationalist 861,990, Official Labour 795,857, Farmers' Party 178,652, other 21,323. On this basis the Nationalists were entitled to 35 seats, Official Labour to 32, Farmers' Party to seven, and other, consisting of Independents and Socialists, to one. In the Senate elections the inequity of the system was evident, since one party, the Nationalists, polling less than half the total votes, won eighteen out of the nineteen seats—a travesty of representation which

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could not have been worse if the former block system of voting had been retained. As a matter of fact the system used was designed to make the block vote effective in returning one party only.

Viewing the elections as a whole, it cannot be said that the Nationalist Party gained a striking victory. They went to the poll with the advantage of office, claiming credit for the success of their "win-the-war" policy. The only possible alternative Ministry was one in which Mr. Ryan would be dominant, and the prospect of handing over the finances of the Commonwealth to his keeping doubtless forced many to vote for a Nationalist administration as a lesser evil. The promise of a gratuity to returned soldiers, together with Mr. Hughes's present undoubted popularity with them, might have been expected to yield a larger return of soldiers' votes. Actually the numbers of Nationalist members decreased while the Official Labour opposition increased. The Nationalist Party lost several important seats, including that of Mr. Glynn, Minister for Home and Territories, and that of Mr. Webster, the Postmaster-General. An important feature of the election was the success of the new Farmers' Party—due partly to discontent with Government control and management of industry during and since the war, and partly to the predominant influence in Federal and State politics hitherto exercised by urban interests. The Farmers' Party opposed Labour and Nationalist candidates alike, and made a successful first entrance into politics with ten members, five of whom were elected from Victoria. Since the elections one member of the Official Labour Party has declared himself an Independent, and one member of the Nationalist Party has joined the Farmers' Party. With a slight change in the political situation the Farmers' Party may easily hold the balance of power in the House of Representatives, and it remains to be seen whether they will attempt any bargaining or coalition with either of the other two parties.

Expulsion of Mr. Higgs

The two proposed amendments of the Constitution on the extension of the legislative powers of the Commonwealth over trade and industry and the nationalisation of monopolies, which were submitted to referendum, were both rejected. The States were evenly divided, Victoria, Queensland and Western Australia voting "Yes" on both, while New South Wales, South Australia and Tasmania voted "No." The totals for the Commonwealth were: Legislative Powers—"Yes," 911,357; "No," 924,160; Monopolies—"Yes," 813,880; "No," 859,451. This result was a defeat for Mr. Hughes, who had introduced the amendments as a necessary preliminary to his campaign for routing the "profiteer." Little enthusiasm for the amendments was shown by the candidates of the party which had introduced them. Official Labour left the issue open, and Labour opinion was divided, the executive of some States advising the rank and file to vote "yes," and of others to vote "no." The State Ministries gave little support, and in the case of South Australia definitely opposed the transfer of powers to the Commonwealth. It is significant that for the past nine years proposals for changes in the Commonwealth Constitution have been submitted to the people by referendum three times in all, by Labour Ministries and Nationalist Ministries, and in every case they have been rejected.

III. EXPULSION OF MR. HIGGS

MR. W. G. HIGGS, deputy leader of the Labour Party in the last Federal Parliament, speaking early in January at the declaration of the poll for the constituency of Capricornia, Queensland, for which he was elected, took occasion to criticise both the internal organisation of his party and its policy in regard to the recent elections. The most important point in his criticism was that Labour members of Parliament were subject to outside control by

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the central political executives appointed in each State by the State Labour conferences. From his own account, relations between himself and the Queensland central political executive had been for some time past strained, and he evidently intended this speech as a challenge to his party. The challenge was taken up. The central political executive, towards the end of January, summoned him to come before them to show cause why he should not be expelled from the Labour Party, and, on his refusal, formally expelled him. This action raised once more the important question of principle much discussed in 1916 when Mr. Hughes, Mr. Holman, and several others left the Labour Party. The question is whether the Labour Party is definitely committed to a system of complete outside control of Parliamentary representatives or whether there is left to members a certain amount of independence of action. Since 1913 the power of the conference and its organ, the central political executive, has been growing at the expense of the independence of Labour members of Parliament, and the expulsion of Mr. Higgs, following on the events of 1916, may be taken as establishing finally the complete supremacy of the conference. Anyone who remains an official Labour member of Parliament may be taken as accepting this position as part of the organisation of his party.

IV. MARINE ENGINEERS' STRIKE

IN December, 1919, about 350 out of 3,100 members of the Institute of Australasian Marine Engineers, after some negotiation with their employers, declared a strike on inter-State and certain overseas ships. The subject of the dispute was a claim for higher pay. An award of minimum rates had been made in December, 1918, for a period of three years, and therefore the Commonwealth Arbitration Court would not have been able to entertain the full

Marine Engineers' Strike

claim of the engineers until the period specified had expired. Had the dispute come before it, however, the court would have had the power to carry the previous award up to the limit of the original claim, which was considerably less than the new. The engineers claimed that during the war they had carried on under the old conditions so as not to hamper shipping, although other members of the mercantile marine had secured increases. They pointed to the recent increases in the pay of marine engineers in Great Britain, United States, and elsewhere, and also to the fact that in the settlement of the recent seamen's strike the rates granted to the seamen had diminished the differentiation between seamen and the more specially trained engineers. The old rates of pay ranged from £15 10s. to £42 per month, varying with the rank of the engineer and the size of the ship. They now claimed from £19 5s. to £61 per month. During negotiations in November, before the strike, the employers had offered an increase on the old rates of £2 per month all round, but this was declined because the men demanded that the increase should be proportionate to pay. In December, after the strike had begun, the Controller of Shipping offered the New Zealand award agreement rate, plus £1 10s. per month for junior officers, which made the rates from £18 to £50. This offer was accepted by the Melbourne branch of the Institute, but rejected by the Sydney and other branches. After several conferences in January of this year between the Institute, the Federal Government, and the Steamship Owners' Association, it was proposed by the Controller of Shipping that the rates should be £19 to £51, that the men should resume on these terms, and that after resumption a tribunal with an independent chairman should adjudicate on the full claims. This offer was also rejected, the Melbourne branch again voting for resumption, but with a reduced majority.

The Federal Government, both as owner of the Commonwealth line of steamships, and as charterer of inter-State

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shipping, was specially interested, since it would have to find the money to pay any increases. Moreover, as in the seamen's strike, the stoppage of trade by sea and the lack of sea-borne coal was paralysing industry and creating unemployment. Once again the States furthest away from the coal supplies of New South Wales suffered most. It was obviously not possible to defeat the strike by manning the ships with unskilled volunteer labour. Sympathy with the engineers, the aristocrats of labour, who had held themselves aloof from other unions, was not strongly marked amongst labour organisations. One outstanding fact was that the engineers had refused to accept an offer of a substantial increase with the right of establishing before an independent tribunal their claim to the full amount demanded. In these circumstances Mr. Hughes, early in February, publicly announced that the Government would not surrender to the strikers. This was followed, on February 10, by a proclamation under the War Precautions Act aimed, "with a view to the public safety and the defence of the Commonwealth," at cutting off all supplies from the strikers and making it an offence to give financial or other aid to them. Under the proclamation it was made an offence punishable by fine or imprisonment to aid by word or deed the continuance of the strike. In particular, lending or giving money to strikers, whether in aid of the strike or not, by banks or by private individuals, was forbidden. This meant that not only were strike levies and subscriptions illegal, but banks were not allowed to pay out moneys lying to the credit of the Institute. One effect of the proclamation was to enlist the sympathies of organised labour throughout the Commonwealth on the side of the engineers. The Trades Hall Councils of Sydney and Melbourne at once passed resolutions emphatically protesting against such an abuse of the War Precautions Act. Not only was organised labour alarmed; Mr. Holman, the Nationalist ex-labour Premier of New South Wales, declared that such a use of the War Precautions Act was

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never intended, and characterised it as a "grave abuse of authority." It would be idle to pretend that the public safety and defence of the Commonwealth was concerned in the way contemplated by the War Precautions Act, and this arbitrary misuse of powers granted for a totally different purpose will do much to discredit the Federal Government in the eyes of impartial observers. However, it is possible that the success of the measure as a strike-breaker may encourage the Government to introduce legislation giving extensive powers to the executive in cases of industrial disturbances. About the same time an application was made to the Commonwealth Arbitration Court for the de-registration of the Institute.

The proclamation created at once an intolerable position for the strikers, whose leaders saw that it was useless to prolong the struggle, and that if the terms offered were again rejected the men would be forced to yield in a few weeks, when there was no guarantee that the offer would still be open. Consequently they decided on a resumption of work at the rate of £19 to £51, reserving the right to claim the full amount before an independent tribunal whose award might not be lower than the terms accepted. At the same time the application for de-registration was withdrawn. Work was resumed on February 27, and when all the vessels concerned are running as usual the tribunal will meet to adjudicate on the full claims.

V. NEW SOUTH WALES STATE ELECTIONS

THE New South Wales State Elections will be held on Saturday, March 20, and the result will be known* long before these notes appear in the ROUND TABLE. The

* The full returns are not known in England at the time of going to Press, but those already reported are as follows :

Nationalist...	42
Labour	40
Progressives	8

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issues are curiously confused, and the outcome very difficult to forecast. There are two major parties—the Ministerial “Nationalists,” led by Mr. Holman, and the Opposition Labour Party, led by Mr. Storey. There are also in the field a fairly strong “Progressive” Party, and one or two minor sections, such as the “Soldiers and Settlers” (broadly anti-Labour, but also anti-Holman), the Catholic “Democratic” Party, and the Independents. Altogether there are 310 candidates for 90 seats, including an unusually large number of Independents.

The record of Ministers is a good one in respect of their patriotic attitude towards the war and their lands administration ; but they have to some extent lost public confidence in that they are charged with failure to curtail expenditure, and with incompetence and carelessness in the operation of the State Wheat Pool. It is a very general impression that Ministers are opportunists who rely too readily upon mere party manœuvres, sometimes at the expense of political principle. The Ministry suffers from those inevitable phases of unpopularity which attach to any party some years in power, and also from an unreasoned, but very widespread public resentment against constituted authority because of the high cost of living, a resentment from which no Ministry, however well intentioned, can in these days expect entirely to escape. This last is possibly the strongest of the varied sentiments agitating the public mind, and it gathers additional force because the Nationalists, possibly unjustly, are accused of over-tenderness to the moneyed interests. Mr. Holman is known to dominate the Ministry to a rather unusual extent, and in consequence a great deal of the antagonistic feeling is directed against him personally rather than against the National Party or the Ministry. To him are attributed in a particular degree the accumulated political sins of the Ministry and Party.

A distinct feature of the elections is that “proportional representation” will be tried for the first time in the history of New South Wales. A large number of informal

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votes is likely, for the candidates are many, and all must be voted for in order of preference, down to the least favoured. It is claimed for the system that it secures to the minority a representation roughly equal to its voting strength, and students of political theory are awaiting results with keen interest.

The proportional system is said to have encouraged good men, new to politics, to come forward. Under the old system of single electorates the danger of vote-splitting was real, and made many people acquiesce in "pre-selection" by the party organisation (with the accompanying pledge that unselected candidates would retire), despite its evils, including the undesirable intrigues to which the process of seeking the party nomination often lent itself. The two main parties still insist on the virtues of pre-selection, but some at least of those who are broadly in sympathy with the Nationalist programme, while they resent the domination of the party machine, feel that they can now come before the electors without exposing themselves to any fair charge of vote-splitting.

The "Progressives" started about eight years ago as a "Country Party" to represent rural interests in face of what was deemed the predominance of City, i.e., Sydney, interests in politics. Upon this stock has been grafted a party which is not exclusively rural in interest, but is united in opposition both to the Labour Party and to Mr. Holman. This party is sufficiently numerous and widespread to have put forward, for both urban and rural constituencies, a number of candidates almost as large as the Nationalists. In spite of their mutual hostility, the antagonism of both Nationalists and Progressives to the Labour Party is sufficiently strong to make it probable that Nationalist and Progressive electors will exchange second votes rather than risk the return of Labour candidates. If this course is followed, the Labour Party is not likely to be able to form a Ministry in the new Assembly. The Labour leadership at present is uninspiring, while Mr.

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Holman is universally recognised as a brilliant election campaigner. Also the last few years of Labour administration in the neighbouring State of Queensland have made a considerable impression in New South Wales.

VI. COMMERCIAL POSITION AND OUTLOOK

DURING their visit to Australia in 1918 the members of the French Mission were anxious to learn what new industries had arisen in Australia, and to what extent existing industries had developed in consequence of the war. They professed surprise at learning that neither in the matter of new industries nor in the development of those existing had Australia anything of a permanent nature for which to be thankful in this connection. The observation referred to was based upon the experience of past wars, in which the community has at times been driven to develop its own resources by the operation of the restrictions imposed upon trade through the war. In the present case some countries—for example, the United States of America, Canada and Japan—have developed their industries and extended the scope of their economic activities. Australia has had no opportunity of this kind to compensate for its losses in the war. For one thing, owing to the long transport leading to a scarcity of shipping, markets which had been supplied by Australia were cut off, and the machinery for establishing industries could not be obtained.

At the commencement of the war, in the season 1914-15, Australia experienced one of her most severe droughts, and found that, for the time being, her ability to supply troops could not be supplemented by a corresponding ability to supply even her normal output of food products. The seriousness of the drought was shown by the fact that the wheat harvest which, taking one year with another, averages about $11\frac{1}{2}$ bushels per acre, yielded for the season 1914-15 only $2\frac{1}{2}$ bushels, and that between the end of 1913 and the

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end of 1915 the sheep flocks diminished by about 16,000,000 or more than 18 per cent., and the number of cattle by about 1,500,000 or $13\frac{1}{2}$ per cent. The three succeeding seasons were excellent, and in that of 1915-16 there was a record acreage under wheat and a total production of 179 million bushels. This was the largest crop ever harvested in Australia, the previous record having been 103 millions in 1913-14. The increase here shown was, however, short-lived, and the succeeding seasons have exhibited continuously diminishing acreages and yields, until for the current season 1919-20 the area under wheat is estimated at 6,600,000 acres, as compared with 12,500,000 acres in 1915-16. Wheat growing may be said to have been the only extensive industry which exhibited a marked increase during the war, and, as shown above, the improvement was transitory. In the manufacturing field the result of the war was a heavy decline in the number of persons employed, due no doubt in some measure to enlistment, and though in the last two years of the war-period a decided improvement had taken place, the records for 1918 showed 15,421 factories and 328,000 operatives as compared with 15,536 factories and 337,000 operatives in 1913. There was certainly a development in the wool scouring establishments and the woollen mills, owing to the demand from the Department of Defence for woollen goods for military purposes ; in the establishment of the Broken Hill Iron Works ; in the smelting of Australian ores ; and also in the production of certain minor articles usually imported ; but the increases involved were relatively small, and were more than counterbalanced by the marked decline in many other industries. It is true that the figures for manufacturing industries show ever-advancing totals for the values of capital employed, wages paid, materials used, and output, but such increases are largely due to increased prices. The best test of variation at present available is that of employment provided, and Australian manufacturing industries provided less employment at the termination

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of the war than at its commencement, although, as stated above, the returns for the last two years of the war period indicate that these industries are gradually recovering their pre-war position. In this connection it must be remembered that the manufacturing industries of Australia are in their infancy, and that in very few cases are they supplying even the needs of the Australian population. In a few instances—such for example as the production of flour, biscuits, leather and jam—there is an export trade, but in no case is there any extensive well-established manufacture for export. In the present stage of her development Australia, in so far as her commercial relations with the outside world are concerned, figures mainly as a producer of food-stuffs and raw materials and an importer of manufactured articles, and of such other commodities as tea, coffee and kerosene, not produced in Australia. A simple statement of the make-up of the Australian exports for a normal pre-war year will best show the overwhelming importance of the part which the primary industries of Australia play in her oversea trade. For this purpose the figures for 1913 may conveniently be employed as those of a year not subject to any exceptional conditions.

AUSTRALIAN EXPORTS, 1913

Of Australian Origin—				£
Agricultural products	..	..	..	10,749,459
Pastoral products	..	..	..	42,038,971
Farmyard and dairy products	..	..	..	3,863,979
Unmanufactured metals and ores	..	..	..	12,689,990
Coal	..	..	..	1,121,505
Timber	..	..	..	979,896
Pearlshell	..	..	..	382,722
Pearls and precious stones	..	..	..	158,211
All other exports of Australian origin	..	..	..	3,105,414
Re-exports	..	..	..	3,433,622
Total exports				£78,523,769

Wheat and flour represent about 90 per cent. of the agricultural total, while butter accounts for more than

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90 per cent. of the farmyard and dairy total. Wool is the preponderating item in the pastoral group, but meat, skins and tallow all bulk largely. Excluding the re-exports, which are mainly due to trade with New Zealand and the Pacific Islands, it will be seen that the output of the agricultural, pastoral and dairying industries represented about 75 per cent. of the exports of Australian origin, and the output of the mineral industry over 18 per cent., while the exported products of forestry and fisheries represented 2 per cent., leaving little more than 4 per cent. of the total for all other exports of Australian origin. In these circumstances it is clear that in the present stage of development the essentials of commercial prosperity in Australia are favourable seasons and facilities for transport. Owing to her extensive areas and the remoteness of many of the settled parts from the seaboard, facilities for inland transport are as necessary as those for transport overseas. This fact, combined with the practical absence of inland waterways, has led to the development of railway systems in Australia, the total mileage of which is greater in proportion to population than that of any country in the world. Thus in Australia there are five miles per 1,000 of population, as compared with 3.8 in Canada ; 2.7 in New Zealand and Argentina ; 2.6 in the United States ; 1.3 in the Union of South Africa ; and 0.5 in the United Kingdom.

The Australian season 1915-16 was excellent, and in addition to furnishing a record wheat harvest, it also initiated one of those periods of marked recuperation in depleted flocks and herds which are a recognised feature in Australian pastoral experience. At this stage the transport trouble arose, and owing to the distance from Europe and the increasing shortage in merchant tonnage, much of the output of Australia's bountiful harvests of 1915-16, 1916-17 and 1917-18 had to be stored upon her shores, subject to the depredations of mice and weevils. Similarly, the overseas transport difficulties prejudicially affected the wool industry, and had it not been for the munificence of

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the British Government, which promptly provided heavy payments in respect of its large purchases of wheat and wool, although the prospect of delivery was remote, the financial position in Australia would have been acute, notwithstanding bountiful seasons. In the sequel the purchase of Australian wool has proved an excellent investment for the British Government, but at the time the purchase was arranged the outlook was not good, and the terms were admittedly generous.

During the war period the usual price-fixing and other restrictions commonly resorted to in such circumstances were called into requisition by Federal and State Governments, but it is very doubtful whether, with the possible exception of the sugar control, any of them exercised a marked influence on the cost of living. In one important case it was strongly urged that the restrictions on butter, by rendering the production of that commodity less remunerative than the production of meat, had led to considerable reduction in the strength of the dairy herds, and consequently to subsequent increase in the price of butter.

An outcome of the restricted conditions of the war period, and in particular of the restricted facilities for oversea transport, was the formation under Government control or supervision of numerous boards, committees, commissions, pools, etc., for the regulation of local and external trade in various leading lines of production. Thus the Australian Wheat Board, with supplementary committees in the several exporting States, controlled transactions in wheat, arranging for its storage in Australia and its subsequent sale and despatch. Payments to farmers were financed by the arrangement of advances from the local banks, liquidated as payments were received in respect of sales. The extensive purchases of Australian wool by the British Government from 1916 to 1920 led to the formation of the Central Wool Committee, assisted by a local committee in each State. These committees

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comprised representatives of the wool growers, wool buyers, manufacturers and scourers or fellmongers, the Central Committee comprising in addition a representative of the Commonwealth Government, who acted as chairman. An important function of this committee was the appraisement of the wool of the growers, and the appropriate allocation of the purchase money provided by the British Government at the average rate of 15½d. per lb. Other bodies of a similar nature, constituted for controlling the sales of various products locally or abroad, were the Australian Metals Exchange and the Butter Pool, while the control of the sugar output from 1915 onwards by the Commonwealth Government was entrusted to a special Government sub-department.

Since the termination of the war certain of these bodies have been undergoing a process of gradual winding-up, and the Governor-General's speech at the opening of Parliament on February 26, 1920, contained the statement that "the Government policy is at the earliest moment to divest itself of the present pools and controls, and thus permit the trade of the Commonwealth to revert to non-Governmental channels, while affording the primary producers every possible assistance in extending the co-operative organisation of their important interests." In the cases of wheat and wool there is a movement in favour of retaining some sort of central regulating organisation free from Government control, but agreement on the point has not yet been reached by the parties concerned. In general, however, the prevailing desire appears to be to get back to the conditions of a free market. Australian industries, other than those mentioned, suffered severely from different phases of the war and its consequences. Thus the gold-mining industry was severely hit by the embargo on gold export and the general rise in prices due largely to currency inflation. In this connection it may be mentioned that even yet there is great exception taken in official circles to any suggestion of inflation; and although

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statements appear in the Press of sales of gold at a considerable premium, there is still an attempt made to camouflage the fact that Australian paper money, in common with that of most countries of the world, is a seriously depreciated currency. For some reason not apparent there is also an objection to publish the export of gold, and although details for all other exports are available for publication, the quantity of gold exported either in 1917-18 or 1918-19 cannot be ascertained. Export without Government consent is prohibited. The production figures, on which there is no such embargo, show that, whereas gold to the value of £9,400,000 was mined in Australia in 1913, the total produced in 1919 had fallen to £4,600,000, and the decline appears likely to continue. The timber industry was affected by the disorganisation of shipping facilities, and the pearl shell industry was temporarily suspended by the absence of a market for the shell. The export trade in green fruit also suffered from the shipping shortage, but a slight compensation was furnished in the development of the dried fruit industry, largely owing to the disabilities suffered by the producers of currants and raisins on the Mediterranean. How this now flourishing industry will meet the newly revived competition of the old world remains to be seen.

Unfortunately the termination of the war, like its commencement, saw a great part of Australia in a condition of drought, which at the time of writing, March 24, 1920, has not disappeared. The present trouble is not in general as intense as that of 1914-15, but it is protracted, and its effect on Australian prosperity is considerable. Thus the wheat yield, which, as before stated, normally averages $11\frac{1}{2}$ bushels per acre fell in 1918-19 to below $9\frac{1}{2}$, and in 1919-20 to 7, while the sheep flocks of New South Wales are reported to have diminished during 1919 by about 7,000,000 head, viz., from 39 to 32 millions. Notwithstanding the generally unfavourable condition in respect of such matters, business in Australia is exceptionally brisk,

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and in drapery and similar lines the trade, as indicated by values, is phenomenal. Much of this, however, is artificial, and may be likened to the high temperature of a fevered condition rather than to the glowing warmth of perfect health. The increased and increasing supplies of paper money during the period of the war, the local spending of large loan flotations, and the system of obtaining such loans by extensive bank credits granted to the lenders have all combined to bring about that unhealthy condition of increased spending power without adequate basis, which so readily leads to boom and subsequent collapse. These conditions, resulting in meteoric changes in nominal values, are conducive to a spirit of gambling, and evidence of such development is beginning to appear. Such facts as are available may not in themselves represent much, but they are symptomatic of unhealthy conditions, and indicate the necessity for a return to a sounder basis. The unfavourable seasonal phenomena are, of course, not under the control of the authorities ; but it is not the drought, disastrous though it is, which is at the bottom of the present unsatisfactory condition, as the experience of Australia has frequently shown that her powers of recuperation are remarkable, and that in the case of the wheat crop, for example, the heaviest harvests are usually those which follow a drought.

The main causes of the trouble are the inflation of credit and currency, the demonetisation of gold, and the consequent ever mounting prices. Much of the labour unrest in Australia, as elsewhere, is due to a great extent to the well-established fact that in general wages follow prices, and that with rapidly rising prices the worker is continually in the position of receiving wages which represent rapidly falling quantities of commodities, and feels that he must resort to plaint or strike to rectify the balance, only to find when the claim is settled that prices have risen still higher, and that his wages still supply less than his needs. At the present time in Australia there are

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arbitration courts and wages boards, supplemented by Courts of Industrial Appeals, continuously and ineffectually working to adjust the rates of wages to the elusive prices. In addition there is at present in operation a Federal Basic Wage Commission sitting to ascertain "the actual cost of living according to reasonable standards of comfort, including all matters comprised in the ordinary expenditure of a household for a man with a wife and three children under fourteen years of age." The Federal Government has announced its intention of giving effect to the recommendations of this commission so as to establish a basic wage. In present circumstances, and at the present rate of progress of the commission, it appears probable that the basic wage decided upon will have become very much out of date by the time the finding is arrived at.

There is also a Fair Profits Commission appointed by the Victorian Government enquiring into the question of profiteering; and in New South Wales there is a State Board of Trade, appointed by statute, which makes annual determinations of the living wage for that State. The latest determination of this board, viz., £3 17s. per week, based on the cost of living of a man, his wife and two children, was received with consternation in some quarters, and a Bill to minimise its effect was hastily introduced into the State Parliament by the Premier. This measure provided, amongst other things: (1) for the voidance of any awards based upon the board's determination; (2) for the temporary retention of rates of wages existing at the date of the determination; (3) for a new determination by the board based on the cost of living of a man and his wife; (4) for a separate determination by the board of the cost of maintenance of a single child and of each additional child; (5) for a determination by the State statistician of the average per employee of the total cost of maintenance of all children of employees (boys under 14, girls under 15); (6) for a levy on employers of the average per employee so determined; (7) for the payment of such levy into the

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“Maintenance of Children Fund”; (8) for the eventual general payment of living wages, based on the cost of living of a man and his wife as determined by the board; (9) for a payment from the fund monthly to each mother of a sum requisite for the maintenance of her dependent children as determined by the board; (10) for any deficiency in the fund to be made good from Consolidated Revenue. The Bill, after a fairly rapid passage through the Legislative Assembly, was lost in the Legislative Council.

To sum up the position in respect of Australia, it may be said that, apart from her labour troubles, in which she is by no means alone, she is at present suffering from a protracted drought, from transport dislocation, and from the ills usually associated with a depreciated currency, and that the most essential immediate reforms are more adequate provisions for water conservation, and extension of transport facilities, local and oversea, and a return to a free gold basis—particularly the last named. Given these, and a return of favourable seasons, the outlook is hopeful. In the matter of water conservation, an important scheme for locking the Murray is now being started, but before there can be any improvement in the currency there must be a recognition by those in authority that an evil exists. Fortunately evidence of such recognition has recently been furnished by an announcement on the part of the Prime Minister that there would be no further increase in the issues of paper money. This, though tardy, is welcome, but more is needed. Provision must be made for deflating existing currency and credit.

Australia. March, 1920.

SOUTH AFRICA

I. THE GENERAL ELECTION

THE General Election was held on March 10, and, as was foretold in the last number of *THE ROUND TABLE*, the result has been to accentuate the unsatisfactory position created by the elections of 1915. No one of the four political parties into which the Union's exiguous population of 1,500,000 white people finds it necessary to divide itself can command a majority. But the consequences of this were not so serious in 1915 as they may be now. In 1915 the main issue was the part the Union was to play in the war, and the overwhelming majority which was returned in favour of General Botha's "see the war through" policy made it possible for him and General Smuts to carry on the government of the country until peace was ratified. To-day other issues, highly controversial in character, have to be faced, and in the absence of the pressure of the war, which effectually compelled parties to co-operate to carry on the government, one looks round somewhat hesitatingly for a way out of the present *impasse*. The position can best be made intelligible by the recital of a few election statistics. The composition of the House of Assembly immediately prior to and after the election is shown in the following table:—

					Before.	After.
South African Party	..	..	..	..	53	41
Unionists ..	..	..	..	..	38	25
Nationalists ..	..	..	..	..	27	44
Labour ..	..	..	..	..	6	21
Independents	..	..	..	..	6	3
					130	134

The General Election

The outstanding feature is the increase in the Nationalist and Labour representation, effected at the expense of the South African Party and Unionists respectively. The former, compared with 1915*, polled an increased vote of 30 per cent. and gained 17 seats ; while the latter, polling an increased vote of 60 per cent., gained 15 seats. Thus it would appear that Nationalism and all it stands for of narrow racialism, anti-imperialism and disunion, has increased 30 per cent. ; and that whereas in 1915 43 per cent. of the rural population voted Nationalist, this has now increased to 65 per cent.

This may be said to be the most disquieting feature of the results. But even these figures show that the Nationalists still have very little prospect of attaining a strength sufficient to enable them to force their policy on the country. If they can count on only 56 per cent. of support in the rural areas their chances of success in the Union as a whole must be very meagre. For the large urban areas, such as Capetown, Durban and Johannesburg, can be counted on to return overwhelming majorities against their doctrines. These areas in this election were swept by a wave of Labour sentiment, which gained its impetus from the rise in the cost of living and the failure of the Government to deal with it. But Labour cannot hope to retain its hold on them if it flirts with Nationalism on the constitutional issue. Therefore any motion which the Nationalists may bring forward in favour of South Africa breaking away from the British Empire is sure to be defeated by the combined forces of all the other parties voting solidly against them. They, of course, realise this, and no such motion is likely to be tabled. Furthermore, the "independence" propaganda to which they have committed themselves has a disintegrating force upon their

* For the 1915 returns see ROUND TABLE, No. 22. The approximate strength of parties as disclosed in the election last month is : South African Party, 90,000 ; Nationalists, 101,000 ; Unionists, 41,000 ; Labour, 41,000. These figures omit 3 constituencies where Unionists were returned unopposed.

South Africa

own ranks. It does not go down very well in the Cape Province. A discreet veil has to be drawn over it by any Nationalist who contests an urban constituency. Even in the Transvaal, where the uncompromising Mr. Tielman Roos rules over the destinies of the party, the independence plank has to be artistically draped in a semi-religious and economic covering. Article 1 of the manifesto of the Nationalist party candidates in the Transvaal attempts to do this :—

The National Party strives for the independence of South Africa :

(a) Because it believes in a just God, who never permits injustice, and always restores the violated rights of nations.

(b) For the sake of the economic and social well-being of South Africa.

Whatever may be the significance of this rather abstruse declaration, it is clear that it lays down an ideal for the future rather than an object to be striven for immediately. Probably only in the Free State would "independence" now produce many martyrs. But the harm in the movement, and the immediate danger which must follow any increase in its ranks, lie not so much in any academic discussion of constitutional or imperial problems to which it may give rise, as in the combustible material with which it feeds the embers of a crude racialism, which South Africa vainly hoped she had extinguished in 1910. For the Nationalists stand for Dutch dominance, and although this may be hidden under a cloud of words appealing to the principles of independence and the self-determination of nations, ultimately pure racial dominance is what is meant.

The Labour Party, on the other hand, refused to admit that the real issue before the electors was either a constitutional or racial one. Though they were careful to point out that on these issues their sympathies were not with the Nationalists, they described them, nevertheless, as being red herrings drawn across the trail to distract the electors' attention from the real issues, which, they claimed,

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were economic and social. In this they were helped by the rise in the cost of living. South Africa, like the rest of the world, has suffered in this respect, and the record of the Government on it was a poor one. The dismal history of the legislation introduced in 1918 to deal with the control of rents, for instance, was recorded in *THE ROUND TABLE* of September, 1918. Since then little has been done. And the Government inaction involved the Unionists also. They had been returned in 1915 on their undertaking to support General Botha in his war policy, and obviously this was of more importance than any consideration of the cost of living. But now that the war is over, and yet the cost of living continues to rise, it is, perhaps, natural that the failure to deal with it should be remembered against the Unionists rather than the sacrifices that they have made to carry out the more important pledge to help General Botha to see the war through. At the beginning of the election campaign General Smuts endeavoured to retrieve the situation by announcing a comprehensive programme of legislation, on the same lines as has been attempted in England. But it was too late, and both South African Party and Unionist candidates, particularly in Johannesburg and Durban, were swept away in the flood tide. In some cases labour benefited by three-cornered contests in which Unionist, South African Party or Independent candidates divided the anti-Labour vote. But this does not detract from the significance of the Labour party's achievement. It was a protest by the people against the inaction of the Government on the cost of living, an inaction which had been induced by the fear of alienating their more conservative supporters by any too radical measures.

A discussion of the causes which produced the result does not much assist us in dealing with the situation which is the outcome of it. This is indeed baffling. How is a Government to be formed which can be sure of commanding an adequate majority in the Assembly? Pending an answer to this question General Smuts has decided to

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carry on, though his Cabinet is deficient of three Ministers—the Ministers for Agriculture and Finance having been defeated and no Minister having been appointed in the place of General Botha. To enable him to do so he will, no doubt, rely on the Unionist and Independent vote. But even these parties in combination with the South African party can only muster 69 supporters in a House of 134—a majority of 4. This small majority has already been reduced by the re-appointment of Mr. Joel Krige, a member of the South African Party, as Speaker; while in Committee, the vote of Mr. Rooth, South African Party member for Pretoria Central, who has been appointed Chairman of Committees, will also be lost. Then, in addition, Colonel Reitz was returned for Bloemfontein South by a very narrow majority owing to a technicality. Two hundred votes had to be disallowed through not being officially stamped. Had these votes been admitted the Nationalist would have been returned by a majority of ten. Colonel Reitz has refused to benefit by this technicality, and has not taken his seat. If, then, this seat is also lost to the South African Party and won by the Nationalists the small South African Party—Unionist and Independent—majority disappears. As regards Labour, General Smuts can also perhaps rely on its unwillingness to take any steps which might precipitate a fresh General Election or imperil the country by rendering inevitable the experiment of a Nationalist Government. Nevertheless, no Government can be safe unless it can command a certain majority over a combination of the Nationalist and Labour parties. Though the latter will undoubtedly maintain its traditional independence of all party entanglements, and up to the time of writing has in every division supported the Government, yet the Party cannot be relied upon to do so indefinitely. The Nationalists will miss no opportunity of bidding for its support, and in the end, on some subjects, must of necessity secure it. Furthermore, co-operation between the Unionist and South African parties will not

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be too easy to bring about and maintain for any length of time. Two highly controversial questions—the incidence of taxation between the urban and rural communities and the Government's native policy, which was inaugurated in 1913 and remains in a state of suspended animation*, may yet act as serious obstacles to the formation of a joint Government with any of the attributes of permanency. Such questions could be shelved during the war, but they have now to be faced.

But in the end, of course, the supreme necessity is that the Government should be carried on. It is no part of this article to attempt to prophesy how this will be achieved. At present one can only describe the situation as it is. It is too early to do more. Let us hope that daylight will have appeared before the September ROUND TABLE article has to be written.

II. THE OPENING OF PARLIAMENT

PARLIAMENT assembled on March 19. In his opening speech the Governor announced that as the result of the elections his Ministers had "deemed it their duty to submit themselves to the judgment of the House." He then proceeded, after alluding to the ratification of the peace treaties, to sketch out an ambitious programme of legislation dealing with the cost of living, the control of rents, industrial peace through the setting up of joint councils of employers and employed for the regulation of wages, hours, and the conditions of labour, the development of industries and agriculture, the construction of new railways, and the reform of the system of native administration. It will be seen from this comprehensive list that General Smuts has decided on the bold course of putting forward an attractive programme of development and reform, and thus placing the responsibility on the

* See ROUND TABLE No. 28.

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three parties opposed to him of either supporting the programme or turning him out. Up to the time of writing these tactics have succeeded. The end of the financial year coming on March 31 rendered imperative the immediate passing of the usual financial measures, such as an additional Appropriation Act and a Vote on Account. These were all passed without much difficulty. What opposition there was was mainly confined to the Nationalist members, who angled unsuccessfully for Labour support. Having passed them, the House adjourned on March 31 for a fortnight.

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NEW ZEALAND

I. THE GENERAL ELECTION

THE result of the General Election held on December 17 last was to replace Mr. Massey in power with a substantial majority over all other parties combined. The political allegiance of a few members is not very clearly defined, but it is generally estimated that Government supporters won 46 seats, Opposition (Sir Joseph Ward's party) 20, Labour and Independent Labour 8, and Independents 3. One of these last was a Government supporter in the late Parliament, and while critical of that party in some respects may, as matters political stand at present, be counted on by Mr. Massey on a no-confidence vote. The most striking features of the election were the personal defeat of Sir Joseph Ward in Awarua, and the growth of the Labour vote. Sir Joseph has been a member of the House for over thirty years, and a prominent figure in New Zealand and imperial politics. He was the late Mr. Seddon's first lieutenant, and in 1906, on the latter's death, succeeded to the Premiership. This position he held until 1912, when his ministry was replaced by the short-lived cabinet of Mr. (now Sir) Thomas Mackenzie, the present High Commissioner for New Zealand.* He was the leader of the Liberal party when war broke out, and in the Coalition ministry which was then formed he held, among others, the important portfolio of Finance.

* See ROUND TABLE, June, 1912, September, 1912.

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The circumstances in which he broke up the coalition were described in the December number of this review, and it is unnecessary to recapitulate them. Beyond doubt his action in retiring as he did on the eve of the last session of the War Parliament was thought by many, even of those who were not too favourably disposed towards Mr. Massey, to be unfair and an attempt to secure a tactical advantage. In particular, it checked the gathering movement toward the formation of a National party, and certainly consolidated Mr. Massey's forces in the House, which were beginning to show signs of restiveness and a somewhat critical temper. Naturally enough, the Government press took every advantage of the situation. So, too, as much capital as possible was made of Sir Joseph Ward's rather indecisive pronouncements in the earlier part of the campaign as to what his relations with the Labour Party would be in the event of that body holding the balance of power as the result of a close election, and Mr. Massey's friends displayed the utmost vigour and persistency in emphasising the danger to the country of having a government which might be dependent for its existence on the votes of the extreme Labourites. A further and important factor was the vigorous campaign conducted by the Protestant Political Association—a zealous, militant and organised body of non-conformist origin, which was recently formed for the express purpose of combating the political activities and the alleged influence in matters of government of the Roman Catholic Church. It was probably a combination of the forces named that brought about the defeat of Sir Joseph Ward by a majority of over 700 votes.

He himself, in a speech delivered in February, attributed most weight to the attack made upon him by the Protestant Political Association, and referred in scathing terms to the bitter sectarianism introduced by that body into the campaign. It is difficult for anyone outside the electorate to form an accurate estimate of the effect produced, but while the popular impression is that Sir Joseph Ward

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exaggerated the position, the undoubted fact remains that religious influence played a considerable part in the contest for his seat, and also, though less directly, in some other constituencies as well. Sir Joseph has refused opportunities which were offered to him to contest another seat, and has definitely stated that, for the present at all events, he will not seek to re-enter Parliament. The leadership of the Liberal party has been taken over by the Hon. W. D. S. MacDonald, member for Bay of Plenty, who held office as Minister of Agriculture and Mines in the Coalition government.

On the Government side the Hon. J. B. Hine, member for the farming district of Stratford, and Minister for Internal Affairs in the National Ministry, was defeated by the narrow margin of 70 votes. A petition, however, against his opponent's return has just been allowed by the Court, and a fresh election must be held. In the meantime Mr. Hine had resigned his portfolio. In the Bruce constituency Sir James Allen, Minister of Defence, had only 126 votes to spare.

In no less than 19 districts the representation was changed, and many familiar figures will be missing when Parliament reassembles.

Labour and Independent Labour won 11 seats as against 8 in the former Parliament, in five instances capturing constituencies previously represented by Opposition supporters. The number of wins, however, does not fully indicate the great growth of the Labour vote.

One result of the election has been to stimulate and furnish material for an agitation for the introduction either of preferential voting or proportional representation. The adoption of the latter system is one of the "planks" in the platform of Labour, and analysis of the votes cast in the recent contest has led many Opposition papers to urge an alteration of the present system, which, it is contended, does not ensure a true representation of public opinion in Parliament. An examination of the figures would, however, be

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out of place here. Mr. Massey, who repealed the Second Ballot on coming into power, seems disinclined to favour any change from the existing "first past the post" system, and according to present indications there is little likelihood of any Government measure on the subject being introduced.

The majority obtained exceeded the most sanguine expectations of Ministerialists, and probably surprised even Mr. Massey himself. The difficulty of forecasting the result of the election was admittedly great, the forces at work being novel and the currents shifting and uncertain, but few people anticipated for either of the main parties such a majority that it could pursue its policy boldly and firmly, without the risk of being forced to yield upon many matters, or else to face an adverse vote with the possibility of a dissolution in consequence. The general feeling of the man in the street is now one of relief that at least we have a stable government. Few will grudge Mr. Massey his personal triumph. His long and stubborn fight when in opposition with a mere handful of followers always commanded admiration, and although he has been Prime Minister since July, 1912, he has had little real opportunity of developing his domestic policy and justifying his promise by works. The position of the Reform Party was not very secure during 1913 and 1914, and the Coalition Ministry formed under Mr. Massey's leadership after the general election of December, 1914, was a war ministry of united counsels and divided honours, with a special work only before it. His opportunity has now come. A robust imperialism has increased his reputation; participation in world politics has enhanced his prestige and authority. With a substantial majority already behind him he may easily attract others to his side by an energetic and progressive policy, particularly in matters of administration. For party feeling is less strong than formerly, and the defeat of Sir Joseph Ward has in the case of many members dissolved the personal tie of loyalty to a leader, and increased very much the prospect of a regrouping in the House.

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His position, however, is one of responsibility and delicacy, and he will be judged critically, even by his friends. The times are difficult, and there is a disposition on the part of the public to expect, perhaps, greater and more immediate results than are reasonably possible from legislative and administrative measures. Heavy taxation must inevitably continue for a long time. The cost of public services is steadily rising, and demands for public money coming in from all directions. The ever-mounting cost of living furnishes an urgent problem of vital interest to all classes and presenting extraordinary difficulties. Unrest pervades all industries. At the moment of writing grave dissatisfaction exists in the railway service and threats of a strike have been vigorously uttered. It will require a very able, energetic and many-sided ministry to retain the public confidence and satisfy the public impatience under burdensome conditions.

The first step towards a permanent reconstruction of the Cabinet has been taken by the allocation of the portfolio of Public Works to the Hon. J. G. Coates, M.C., the present Minister for Internal Affairs; and by the appointment of Mr. E. P. Lee (Oamaru) as Minister of Justice; and Mr. C. J. Parr, C.M.G. (Eden), to take charge of education. These appointments have been generally well received. Other important changes must be made in the near future. Sir James Allen, Minister of Defence, has been appointed to London as High Commissioner; while it has been definitely announced that Sir Wm. Herries (Native Affairs) and Sir Francis Bell (Attorney-General and Minister in charge of several minor departments) will both retire at the end of next session. Advice is being freely tendered, too, that the Prime Minister is overburdening himself with Finance and Railways; and the whole question of the number of Ministers and the distribution of portfolios is one that must inevitably engage the attention of the new Parliament. All these matters will present difficulties and arouse active criticism.

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The question of naval defence is also one of profound importance, upon which opinion has not yet ripened. No definite statement has been made so far as to the intentions of the Cabinet in reference to Lord Jellicoe's report, but the indications are that Mr. Massey favours its adoption, in part at least, and will support the proposal for establishment of a Dominion unit rather than payment of a monetary contribution only. He has recently pointed out that the gift cruiser which is to come from home will work in with the Jellicoe scheme, and he has emphasised the value to New Zealand of this and similar vessels. But the acceptance even of this gift has been strongly criticised in some quarters on the score of expense; and the question of the adoption of the report may either result in a sharp party cleavage or afford an opportunity and basis for a readjustment of party allegiance. Little attention to the subject was given in the election campaign, and at present public and politicians alike are adopting a "wait and see" attitude.

II. COAL QUESTION

HERE Mr. Massey has achieved a personal success of some value to him. Ever since September last the problem of getting sufficient coal has been most grave. The position down to that date was fully described in the December issue of *THE ROUND TABLE*, and from that time on the policy of restricting the output was deliberately and openly maintained by the men. Every attempt to settle the points of difference between them and their employers failed. The outstanding difficulties were that, though willing to pay more, the mine-owners refused to replace the contract system by one of fixed wages; and, while willing to confer with the Miners' Federation, steadfastly refused to negotiate with the National Industrial Alliance of Labour.* The men, on their part, were

* See *ROUND TABLE*, December, 1919, pp. 214-5.

Coal Question

equally firm on both these points, and the deadlock continued until the middle of February. During that period at least one-third of the normal output was left in the mines unhewn. In the meantime the price of household and manufacturing coal rose, supplies of all kinds were short, and public services, such as gas and tramways, were seriously threatened and in some instances actually curtailed. One direct result was a severe shortage of cement owing to the necessary closing of mills, and a consequent interruption and delay of building operations. Every effort was made to secure and distribute cargoes of coal from overseas, but the supply was both intermittent and costly, and grave inconvenience was suffered by all sections of the public. At last, in February, at the instance of the Government, a conference was arranged under the chairmanship of the Prime Minister, and after a sitting which extended over nine days, it was announced that terms of settlement had been arranged, subject to acceptance by the various bodies of men concerned. This approval was given early in the present month, and for the time being the situation is eased. The "go slow" policy has been officially abandoned, and the output has very much improved, although many more miners are needed in order to work the mines to their full capacity. Credit for assisting very materially in the settlement is given by both sides to the Prime Minister. Details of the arrangement made are not of outside interest. The essential points are : (1) that the contract system is retained, with, however, a minimum payment of 12s. per shift, averaged over each fortnightly period ; (2) that increased rates of pay are to be adopted throughout ; (3) that the agreement is to remain in force for one year. It is, of course, an inevitable result that the price of coal to the consumer will be raised, and a further step thus taken in the apparently interminable and circular process of seeking by increased pay to overtake the cost of living. For the moment, however, we congratulate ourselves upon the termination of a grave dispute.

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III. GENERAL CONDITIONS

NEW Zealand presents most of the curious antitheses which appear to have been found in other countries since the Armistice. On the one hand, we have high and ever-increasing prices—bread, tea, clothing, tobacco, milk have all jumped again recently—heavy taxation, and a general state of unrest which has severely limited production; on the other there is lighthearted expenditure and a prevailing unconcern. Houses are scarce, but cost so high that there is no present prospect of meeting the demand by building. Nevertheless, many ambitious public schemes are being pushed on regardless of expense, upon the view that conditions will probably become worse. Places of amusement are thronged everywhere, and all records of investments on the totalisator left far behind. Everybody grumbles at the high cost of everything, yet the only limitation upon luxury seems to be impossibility of getting supplied. Investment stocks are high, pastoral and agricultural lands are fetching big prices and constantly changing hands. The demand for motor cars exceeds the supply in spite of the high price of English machines and the adverse rate of exchange with the United States.

Mr. Massey has repeatedly urged the necessity for increasing production and has stated that a vigorous immigration policy will be undertaken by the Government. Beyond doubt such a policy is needed if New Zealand is to face with security the financial obligations already incurred, and the huge expenditure demanded for reconstruction and development.

Under the Government proposals, farmers, farm-workers and domestic servants are to be specially encouraged, and these may make application to the High Commissioner for free or very much reduced passages according to classification. Upon approval, their names will be forwarded to the

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Immigration Department, which will make suitable provision for their employment on arrival. Arrangements are also being made for nomination by permanent residents here of persons residing in the United Kingdom irrespective of relationship or calling, subject to guarantees of employment and maintenance after arrival in the Dominion. Reduced passage rates will be available for these. Further, the Government will work in with the Imperial oversea settlement scheme, under which approved applicants who are proceeding to friends or assured employment in this country will be assisted in the matter of passage. The gravest difficulty to be faced at the moment is the extreme shortage of available shipping.

Two special matters are at present engaging attention—the sale, shipment and distribution of meat, and the removal of the embargo on the sale of hides. These are of very great importance, but nothing short of a detailed examination would be of any value, and such is impossible within the limits of the space available.

Reference has already been made to unrest in the railway service, and within the next week or two it is clear that a very serious situation may develop. During the war the railway workers displayed the most commendable loyalty, doing heavy work shorthanded, and putting up patiently with increased expenses, while all around they saw large sections of labour extracting better wages by the adoption of militant tactics. When the Armistice came they began to agitate for improved pay and public sympathy was entirely with them. After some delay, Mr. Massey himself took over the portfolio of Railways, and the whole question was referred to Mr. Justice Stringer, President of the Arbitration Court, who entered upon a close investigation of the conditions of the service. His report recommended substantial increases in wages, but he has not gone far enough to satisfy the men, who, from one end of the Dominion to the other, have curtly rejected his proposals and characterised them as an insult to the workers. Very

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plain speaking on the subject of a strike has been indulged in, and as Mr. Massey's last utterance on the subject indicated a firm attitude on the part of the Government, the situation is extremely grave. In the meantime, the matter has not gone beyond threats, and the Executive of the Amalgamated Society of Railway Servants is to interview Mr. Massey next week, when it is expected that he will have completely recovered from a slight surgical operation, which he has been compelled to undergo.

IV. THE LICENSING POLL

PROHIBITION, with compensation to the trade, having failed at the poll held in April,* when two issues only were submitted, it was generally thought that when the triple issues—Continuance, State Purchase, and Prohibition without Compensation—came before the electors in December, with the requirement of an absolute majority to carry either of the last two, the vote against Prohibition would be at least maintained. This expectation was not fulfilled. When the first results came through, which did not include the votes of soldiers still abroad or the votes of those holding absent voters' permits, Prohibition had a fairly substantial lead over the other two issues combined, and for a little while it was generally believed that the country had gone dry. When the additional returns, however, came in, the position was reversed. Prohibition failed, but only by the narrow margin of 3,262 votes out of a total poll of 543,762. The minority in April was 10,362, when a total number of 518,016 votes were cast. The official totals for December were:—

Continuance	..	..	241,251	
State Purchase	..	..	32,261	
			<hr/>	273,512
Prohibition	..	..	..	270,250
				<hr/>
Majority against Prohibition	..			3,262

* See ROUND TABLE, Sept. 1919.

High Commissionership

The explanation of the figures appears to be that with the re-absorption of the bulk of our soldiers into civil life, there was a smaller class or block vote among them, and that some people supported unqualified Prohibition who at the previous poll voted Continuance rather than see compensation awarded to the trade.

The position now is that, subject to the possibility of amending legislation, the present system of licence will remain until the next licensing poll, which in the normal course will be held in 1922, when the three issues as recently submitted will again be placed before electors. Local option has been abolished, except on the question of restoration in existing no-license districts. It is, however, quite impossible to predict what Parliament may do during the next three years. Much will depend upon the light to be obtained from the experience of the United States and Canada under Prohibition, and upon how far an attempt is made by those interested in the trade to mitigate its admitted evils. Such an attempt is not likely to come from outside. Two facts stand out clearly, that public opinion against the present system is growing, and that the movement towards State purchase or control has fewer supporters than was generally supposed.

V. HIGH COMMISSIONERSHIP

AS already indicated, Sir James Allen has been appointed High Commissioner in succession to Sir Thomas Mackenzie, and will take up his duties in August. This appointment has been everywhere approved. As Minister of Defence Sir James Allen has had to face much severe criticism during the war, but all of it upon matters of detail rather than principle. His gravest fault was an excessive loyalty to his subordinates, and he was singularly free from the pliant opportunism which so often forms the politician's

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stock-in-trade. At a time when courage and firmness were the outstanding needs for a Defence Minister, he showed himself a courageous, high-minded, unwearying and patriotic administrator, with whose name no scandal could be linked, and the value of his services to the country and the Empire becomes more and more apparent in retrospect. As one newspaper, hostile to the Government, expressed it : " he displayed fine qualities of heart and head throughout the great struggle, and gave an inspiring lead to the country. It is fitting that the able Minister who directed our military effort in those critical years should now go to London to represent the Dominion in the important years of recovery and reconstruction and possible alteration of inter-Imperial relations." The New Zealand Parliament will lose the services of an able, fearless and experienced member, whose place it will be very hard to fill.

Another (Government) journal, writing upon Sir James Allen's appointment, emphasises in the following passage the possibility of an early extension of the functions of the High Commissioner :—

It is everywhere recognised that the Dominions are entitled to a voice in the foreign policy of the British Empire. They were represented on the War Cabinet during the war years, and the form of their permanent participation awaits only the opportunity for deliberate conference which cannot come until the Governments in Britain and the Dominions have solved the urgent problems of reconstruction which all of them are now facing. It is, however, practically certain that before the end of the present Parliament New Zealand will be called upon to have a Minister resident in London. Such a representative must in the circumstances be in the confidence of the Government, and probably he will have to be a member of the Government. In view of these possibilities Sir James Allen is an ideal man for the position of High Commissioner. His presence in London during the period when changes in the form of Empire Government are under discussion will give New Zealand complete assurance that its interests and views are being capably represented, and when the change comes New Zealand will have on the spot the best available man for a highly responsible and onerous position.

External Affairs

The Prime Minister has announced that a reorganisation of the London office will be effected to bring it into closer understanding of Dominion needs, and thus to extend its usefulness. Some officers in the Civil Service will be sent home at once from New Zealand, and transfers from here to London will be regularly made in future. Under the new High Commissioner the work of reorganisation is assured of success.

Sir Thomas Mackenzie has done admirable work during the past eight years, and gives up his post with sincere thanks from the Dominion for his valuable services. In an especial degree we recognise his untiring and sympathetic work on behalf of our soldiers during the war.

VI. EXTERNAL AFFAIRS

IN view of the obligations undertaken by New Zealand's acceptance of the Samoan mandate, a party of some forty Members of Parliament, including Sir James Allen, Minister of Defence, left this country in February to visit the islands with the object of acquiring first-hand information as to their condition, with special reference to the question of indentured labour. The opportunity is being taken of visiting also Tonga, Rarotonga and Fiji, and the party will not be back until the end of the present month. Cabled information shows that the local residents in Samoa, in a report on agriculture and labour, have strongly pressed upon the visitors the urgent need for more labour in order to develop the resources of the islands.

The position to-day (they say) is we must have more labour or face bankruptcy. Without an adequate supply of labour it is impossible for the planters to carry on. The labour barracks, which previously were considered to fulfil requirements, have been condemned, and we are compelled to make additions and erect new buildings. The "last straw" was the forced repatriation of indentured Chinese, costing from £20 to £20 10s. per head, against £2 10s. before the war. To these causes, as well as the higher cost of provisions, and

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the ravages of the rhinoceros beetle, is attributed the bankruptcy of some of the largest companies. One company has reduced its labourers from 294 to 12. Its rubber output has been reduced from 69,383 lb. to nil, and its cocoa output from 139 tons to 30 tons.

Summing up, the report states that 5,000 labourers ultimately will be required for the maintenance and development of the present plantations and to meet the needs of merchants and public works. The opinion is expressed that Chinese will be easily procured at an outside wage of 30s. per month.* Failing Chinese, the report suggests that Javanese be obtained by arrangement with the Dutch Government.

On the European plantations there are at present at work indentured Solomon Islanders and Chinese, but the Solomon Islanders are being repatriated, and are no longer a factor. In 1910 the Chinese numbered 2,200, now there are 830. The Solomon Islanders in 1910 numbered 850, now there are 405. It is pointed out that a Samoan with his wife earns more per day by cutting copra on his own holding than the planters pay him in a month. Moreover, the Samoans are insufficient to replace indentured labourers.

The visit should bear good fruit in the shape of improved knowledge of the circumstances and possibilities not only of Samoa, but also of the Cook Islands, the administration of which by New Zealand is popularly supposed to leave very much to be desired.

Fiji has just experienced a serious strike among the Indian labourers there, in the course of which there was some rioting and actual bloodshed. At the request of the Fijian Government, New Zealand sent down a vessel with a small party of armed men on board to assist in protecting the European residents if so required. Fortunately they were not called upon to take any active steps, and the strike came to an end soon after their arrival. Some delay occurred in getting coal for the vessel which took them down, as the waterside workers here objected to coal a

* This figure is doubted by a well-informed New Zealand merchant.

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ship which was being sent on what they regarded as a strike-breaking expedition, but they gave way when it was made clear that the men would only be employed to protect Europeans—including women and children—against excesses by rioting Indians.

Asked recently as to the possibility of an Imperial Conference being held this year, Mr. Massey replied that it was never intended to hold one in 1920, and that the Dominion required at least a year for the cleaning-up necessary after the war period. Mr. Massey was also referred to a cabled statement that a leading Minister connected with the Colonial Office admitted in conversation that the theory that the Dominions are equal nations is not working well in practice. In reply he stated that this could not refer to Lord Milner, because the latter had expressed to him the opinion that the new arrangement by which the Dominions became partners in the Empire has worked very well.

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INDIA

DURING the last quarter two topics have come so prominently to the fore that they have engrossed public attention to the virtual exclusion of everything else. The first is the " Caliphate Question " : in other words, the bearing of the Turkish peace terms upon the power of the Sultan, titular head of the most important sect of Mahomedans. The second is the result of the enquiries which have been made into the origin and history of the disturbances which broke out in April last year. Around these two topics the political thought of India has gathered ; and, as might have been expected from their nature, the interest which they have aroused alike among Moderates and Extremists has been intense.

Mention was made in the March number of *THE ROUND TABLE* of the way in which the Caliphate agitation has grown up. As the months have slipped by since the termination of hostilities, the strength of the pro-Turkish movement has ebbed and flowed. Probably but for the unfortunate delay in the settlement between the Allies and the Ottoman Empire, the espousal of Turkey's cause would have attracted far less attention. But the long delay enabled a sentiment which in its origin was more political than religious to assume a character in which the religious side was far more strongly marked. In this form it soon began to cause the authorities much anxiety. Even so, it was still confined to a mere section. Gradually, as time went on, the outcry of this section caused uneasiness to many of their co-reli-

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gionists ; but it was not until the question of the restoration of Turkey to pre-war integrity was taken up by Mr. Gandhi and the Hindoos who followed him that it became one in which genuine interest was aroused up and down India. Excitement has been fanned by meetings at which remarkably violent speeches were made. The Government has been accused of betraying pledges solemnly given in the heat of conflict, and of deliberately deceiving the Mahomedan community. Agitators have indeed threatened the withdrawal of its allegiance from the King-Emperor if the Turkish Empire is dismembered.

A deputation was sent to England to present the views of such Indian Moslems as supported the cause of the Sultan. At the same time excitement was maintained in India at its maximum. Mr. Gandhi announced that he would declare organised *hartals*, or public mournings, similar to those which had precipitated the conflict between anarchy and order in April last year. The whole situation appeared extremely disquieting, the more so as the operations against the recalcitrant frontier tribes were not yet concluded and the attitude of the Amir remained quite uncertain. As it turned out, it was just as well that the excitement was allowed to run its course, for before long the general good sense of India prevailed. Many of the stoutest champions of the Sultan's cause began to realise that the movement in its extreme form was not merely directed upon the wrong lines, but was also dangerous to the public peace. No one wanted a repetition of the Punjab disturbances. In consequence, there have of late been signs of a reaction: and although meetings are still held, and inflammatory speeches are applauded as loudly as ever, the tension shows signs of passing away. Long before the Khalifat deputation arrived in England it had ceased to be representative of anything but a comparatively small part of educated Moslem opinion. Moreover, the references to holy war against the infidels, in which some of the more violent speakers indulged, have begun to alarm the Hindoo community, whose initial support of the Cali-

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phate agitation under Mr. Gandhi's leadership had never been really whole-hearted. The gradual easing of the situation has been assisted by two factors, first, the occurrences on the North-West Frontier, and secondly the reception given to the Khalifat deputation which proceeded to England.

It is unnecessary to repeat the general statement given in the last issue of *THE ROUND TABLE* as to the disturbed condition of the North-West Frontier. The recalcitrant tribes are still, at the moment of writing, continuing their hopeless resistance on a small scale. But they have now grown more desperate, and the wilder spirits, feeling that they may as well be hung for a sheep as for a lamb, have recently conducted some daring raids into the North-West Frontier Province. The victims of these raids, though very occasionally Europeans, are more generally Hindu traders. Personal contact with militant Islam on the war path is apt to disconcert even the most enthusiastic Hindu exponent of Hindu-Mussulman unity; and the feeling has been steadily growing among the trading community of Northern India, who supply much of the financial backing for political agitation, that in making common cause with the Mahomedans over the Caliphate question they may perchance be calling up a spirit which they will be powerless to exorcise. They also realise that disorders are more easily provoked than controlled, and to their fear lest religious enthusiasm shall take the form of violence offered to Hindus, who are numerous and accessible, rather than to Europeans, who are few and hard to get at, may be ascribed the extremely cautious manner in which the public mournings organised by Mr. Gandhi are now celebrated.

The answers given by the Khalifat deputation to the Prime Minister have made it plain that the interpretation of Islamic requirements put forward by Mr. Muhammad Ali is wholly incompatible with the doctrines of self-determination and freedom in support of which the war was fought and won. This aspect of the case had not hitherto

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received due attention in India. The Moderates were sufficiently far-sighted to realise its importance, and they have now thrown all their weight upon the side of caution and abstention from pressing a demand which is really incompatible with twentieth-century political ideas. This is shown by the attitude that is taken by the two most influential Moderate papers, the *Bengalee* of Calcutta and the *Leader* of Allahabad, which displayed a fair and statesman-like attitude in dealing with the issues. And the position of the Mahomedan pro-Turkish extremists has been still further weakened by the action of the influential Shiah community, by far the greatest of the "dissenting" sects among the Mahomedans. To them the Caliphate means nothing, and they have made it quite clear that the Khalifat party has no claim to speak in the name of the whole body of Mussulmans of India.

At the moment of writing, it would appear that the extreme party is making great efforts to recover the ground recently lost. These efforts are taking the form of preparations for an agitation of unprecedented magnitude, timed to coincide with the publication of the final peace terms with Turkey. There has even been anxiety lest the loyalty of Mahomedan troops should be affected. It is greatly to be hoped that the wiser heads will strongly discountenance extreme tactics. They would adversely affect that new spirit of co-operation between Indians and Europeans upon which the future of India so largely depends. More, perhaps, now than at any time in her history does the country need patience, courage and statesmanship. The hope of India now really lies in the Moderate party. But the task which awaits them demands qualities which are not common.

Their disapproval has already done much to ease the tension caused by the Caliphate agitation. To run counter to the wishes of a person like Mr. Gandhi, who is to millions of Indians the very embodiment of the spiritual force behind the new gospel of nationality, requires not a little resolution.

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It must be obvious to any careful student of the Indian situation that the difficulties against which the Moderates are contending have been immensely augmented by the racial bitterness resulting from the disturbances of April, 1919. Co-operation is at present, and for the good of India it is to be hoped that it will be in the future, the main plank in the political platform of the Moderates. Anything which tends to inflame racial feeling, to wound the sensitive national pride of India, is a deadweight upon the progress of the Moderates, and so much clear gain to the Extremists. Unquestionably a realisation of this fact lies behind much of the Extremist outcry concerning the alleged oppressions perpetrated in the suppression of the disturbances. It is significant that while the Extremist press has been loud in its demand for the recall of Lord Chelmsford, the impeachment of Sir Michael O'Dwyer, and the prosecution of the administrators of martial law, the Moderates have been content to await in dignified silence the findings of the Hunter Commission. This does not mean that the Moderates do not feel as acutely as the Extremists on the question that has been under investigation ; it means that they realise that the interests of their own party and of India as a whole are not served by indulging in petulant and indiscriminating accusations.

The Extremists, for their part, have realised the power given them by the outcry over the disturbances, and they have used this power for all it is worth. Being apprehensive at an early stage of the Hunter Commission that the official investigation might not result in the sweeping and wholesale condemnation they desired, they proceeded to appoint their own non-official committee. When the Hunter Commission was enquiring into the Delhi riots, the Non-Official Committee presented evidence, cross-examined witnesses, and put forward its own view of what had occurred. But, as was noticed in the March number of *THE ROUND TABLE*, the Non-Official Committee took umbrage at the refusal of the Punjab Government to release

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on parole prisoners already condemned to various sentences, who were desirous of being present while the official witnesses were giving their evidence before the Hunter Commission. From that time onwards, the Non-Official Committee abandoned all connection with the official enquiry, and frankly set to work to collect its own evidence and formulate its own conclusions. Later on, the particular prisoners whose conditional release on parole was demanded were unconditionally freed by the operation of the amnesty given on the occasion of the passing of the Reform Act, whereupon the Non-Official Committee invited the Hunter Commission, which had spent some six weeks in Lahore and had now begun to write its report, to return to Lahore and begin all over again. This request was refused; and the Non-Official Committee, of which Mr. Gandhi himself was a member, continued its own investigations, with the obvious intention of forestalling the Hunter Report. No public examination of the evidence was ever made, nor do the stories of the witnesses seem to have been tested in accordance with the practice customary in such cases. The Report of the Non-Official Committee was published at the end of March. It is a document which reveals clearly the imperfections of the method of enquiry upon which its authors rely. That it condemns the action of the authorities goes without saying. It is, unfortunately, less likely to elucidate the facts of the late unhappy disturbances than to confuse the issues arising from them, and the very illustrations included in it are of a kind to raise doubt in the mind of the average man as to the authenticity of the facts upon which its sweeping conclusions are based. It is unlikely to produce much effect in England. It has caused little stir even in India, where the Moderates have refused to attach importance to it, and have criticised the wisdom and the fairness of its publication. A very different document is the Report of Lord Hunter's Commission, which has just been made public. This Report should be read by all who

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desire to obtain some knowledge of the difficulties through which India will have to pass in her progress towards self-governing status in the British Commonwealth. Unfortunately it is somewhat bulky, consisting of 160 pages of text, and 40 pages of appendices and maps—the last, perhaps, the most striking feature of the whole volume. The text deals fully with the events which occurred in each district.

It will be a disappointment to many to find that the Report is not unanimous, and that the division occurs upon racial lines. Most fortunately, the differences between the conclusions of the five British and the three Indian members are less vital than would at first sight appear. There is general agreement as to the causes and occurrences of the outbreaks: it is only in a few details of the facts and in the nature of the deductions drawn therefrom, that the conflict of opinion is revealed. To readers of *THE ROUND TABLE* it will be unnecessary to recapitulate the conclusions arrived at by the Commission regarding the causes of the outbreak, for these conclusions merely confirm in striking manner the views previously presented in these pages. Briefly, the Commission is unanimous in agreeing that Mr. Gandhi's civil disobedience movement undermined the law-abiding instinct of large numbers of Indians at the very time when this instinct was strained to the uttermost by economic distress, war-weariness, anxiety as to the political future of India, apprehension over the Caliphate question, and agitation against the Rowlatt Act. Most marked, it is pointed out, was the unfortunate contrast between the newly awakened aspirations of India and the continued restrictions upon liberty, light though these were in comparison with those obtaining in Europe and America, inseparable from the war and post-war periods.

The steadily mounting excitement resulting from the *Satyagraha* movement precipitated the first conflicts between the police and the forces of disorder. For the conduct of the authorities throughout the premonitory

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outbreak at Delhi, the Commission, British and Indians alike, have only praise. The Indians are inclined to believe that the restrictions imposed upon the movements of Mr. Gandhi and other leaders—restrictions the exaggeration of which was responsible for the explosions at Ahmedabad and elsewhere in the Bombay presidency—were less inevitable than the English members believe : but this view is perhaps not quite consistent with the admission that Mr. Gandhi's presence in Delhi and the Punjab might well have led to a breach of the peace. On the whole, the Commission is unanimous in finding that, with the exception of General Dyer's action at Amritsar (of which more later) and of certain very insignificant incidents, the firing done by the police and the military was thoroughly justified by the circumstances, which, in the view of the authorities, compelled resort to it at the time.

Perhaps the most important point which the Hunter Commission was called upon to decide was that of the general nature of the disturbances. Here we particularly regret the lack of unanimity of the members. The five British members, two judges, a soldier, an administrator, and a business man, agree in adopting the view that Government was faced with serious and widespread disorders of a rebellious nature ; disorders which possessed that " public and general object " pronounced by lawyers to constitute the essence of rebellion. This object was an attempt to paralyse the administration by extensive destruction of Government buildings and means of communication. " The element of rebellion," say the British members in discussing the applicability of the term " open rebellion " to the disorders, " as distinct from mere riot on the one hand and from political opposition to Government on the other, can be traced throughout ; in what sense it may be considered to lack openness, as the Indian members think it did, it is hard to discover." In support of their view the majority lay stress upon the serious and widespread attacks upon railways, bridges, and telegraph wires—here the

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evidence of the maps is most striking—and upon the seditious language used by the mobs and the inflammatory posters which made their appearance in many places. At this point the Indian members of the Commission definitely part company with their British colleagues. They refuse to apply the term “open rebellion” to the disorders, because they consider the expression applicable only to an attempt to expel the British Government; but they say at the same time that the mobs “may have been guilty of waging war” in the technical sense of the term. The minority view of the matter points to a fixed belief that the imposition and continuance of martial law were utterly unjustifiable. Thus, while the Indian members accept all the facts upon which their colleagues base the conclusion that the Government was faced with open rebellion, they do not admit what would seem to an Englishman the inevitable deduction.

It is, indeed, over the question of martial law that the outlook of the Indian and of the British members differs most radically. The latter state that in their opinion it would have been imprudent at the time to treat disorders so widespread and so nearly simultaneous as though they had been isolated incidents. There is, it is true, no proof of antecedent conspiracy as a mainspring of the disorders—although this is not the same thing as proving that none existed; but at the moment when the outbreak occurred it was impossible not to assume the existence of a definite organisation behind it. The British members, in brief, believe that the Punjab Government was perfectly right in asking for martial law, and the Government of India was equally right in acceding to the demand. They also believe that the continuance of martial law was justified by the circumstances arising out of the disturbances—more particularly by the war with Afghanistan. Upon all these matters the Indian members of the Committee throw down a definite challenge for the judgment of public opinion. Taking their stand, first upon their own judgment of the disorders, and secondly upon the constitutional ground that the imposition

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of martial law for preventive or punitive purposes cannot be justified, they proceed to frame an indictment against the Punjab administration for persuading itself rather too easily that martial law was necessary. Upon this view, its continuation is pronounced wholly indefensible. They put forward as one of their arguments the statement that the worst of the disorders had passed away before martial law had come into operation. But, as the Majority point out, the imposition of martial law must be approved or condemned not merely from the point of view of what had already happened when its utilisation was canvassed, but also from the point of view of what might reasonably be expected to happen in the immediate future. It seems only natural to believe, as do the Majority of the Commission, that no administration could possibly take the grave risk of complete catastrophe in the hope that the disorders would of themselves subside as quickly as they had arisen.

There is no need to follow the Commission in its elaborate investigation of the events which took place in every locality where disorders occurred. The Government of Bombay shares with the Government of Delhi the unanimous approval, expressed by the whole Commission, of its handling of a very difficult situation. The task of the Punjab authorities was more difficult, it would appear, than that of the two other administrations affected. In that province the disorders were more widespread, and hence harder to suppress. Moreover, a Punjab crowd, unaccustomed as it is to the intoxication of oratory and the excitement of political agitation, is far more difficult to handle than any other in India. While the troubles were on, the Punjab authorities, with their communications cut on every hand, the movement of their scanty forces hampered by constant derailments, their one means of intercourse with the Supreme Government a single wireless installation, were living in their boots, eating where they could, day and night, toiling desperately, civil and military officers alike,

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to restore the peace. It would have been most surprising if no mistakes had been made. Mistakes were made, and some of them were very grave indeed.

Take the case of General Dyer at Amritsar, upon which now for the first time an impartial judgment can be pronounced. The British members of the Hunter Commission believe that the outbreak of April 10th was anti-government at every stage, hostility to the administration quickly merging into race hatred of Europeans generally. The civil authorities were helpless, and *de facto* martial law resulted. The King-Emperor's writ ceased to run in the city, and it would have been suicidal for Europeans to enter the gates without an armed escort of considerable size. It may have been unfortunate that the civil authorities made over charge so unreservedly to the military: but little harm would have resulted had the military representative who subsequently assumed command taken a more conventional view of the situation than that which commended itself to General Dyer. In fairness to this officer, it should be remembered that his position was one of the utmost difficulty. His normal communications with the outside world were cut, serious disorders, the intelligence of which reached him by aeroplane, were breaking out in adjacent districts. At his very headquarters, Amritsar, his announcement by beat of drum that public meetings were prohibited was the signal for a defiant declaration that a meeting would be held that very afternoon at the Jalewalian (or Jalianwalla) Bagh. On the news that the meeting was actually taking place, General Dyer marched his whole available striking force, fifty rifles and forty Gurkhas armed with knives only, to the site of the meeting, and without warning fired upon the large crowd there assembled. He continued to fire while the gathering was dispersing in terror-stricken confusion. He fired more than 1,600 rounds, causing 379 fatal casualties, and a number of wounded casualties which the most searching enquiries can only place at about half that number. He

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then marched back, leaving the fallen to avail themselves of the ordinary hospital facilities of the city—if they were able to do so.

The Hunter Commission is emphatic in its condemnation of General Dyer's drastic action. That firing upon a mob, the immense majority of which must have assembled in deliberate defiance of martial law orders, would be justifiable if necessary to secure its dispersal, is the verdict of the British members of the Commission. But General Dyer ought certainly, they make clear, to have given such warning as would have enabled any innocent spectators who might have been present to make their escape. Much more serious appears to them his action in continuing fire for so long. His extraordinary frankness enables the Commission to say without hesitation that the tragedy was due, not to the passionate excitement of the moment, but to a deliberate and calculated determination to strike terror into the rebellious spirits not merely of Amritsar but of all India. He believed (and apparently still believes) that his action saved the British Raj. The British members of the Hunter Commission do not agree with him. However necessary it may have been to fire, to fire in the way that he did was indefensible. If force was required, that does not justify a use of it which was excessive beyond all reason, even if it had salutary effects in nipping in the bud a trouble that might have spread through the whole country. Moreover, against any such immediate effects, which would also have followed a reasonable use of force, must be placed the serious harm which the General's action might do to the British connection with India, a connection which should stand in the highest interests of both countries. His action has indeed brought discredit upon our name in many parts of the world. Such deliberate excess is altogether foreign to the ideas which form the basis of our commonwealth, and should incidents like the Jalewalian Bagh become a regular part of the price of our position in India, it would be one that we could not pay. Nor is it possible

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not to condemn the command given by General Dyer that all Indians passing through the lane where Miss Sherwood was assaulted must do so on all fours, or the order of another officer that certain formal marks of respect, which signified to the individual a degrading inferiority, must be paid to every British officer by all Indians irrespective of status. There were other incidents which were sure to wound deeply the self-respect of a sensitive people. Martial law must necessarily be drastic and generally is burdensome, but actions of this kind often leave a lasting sense of bitterness even when they are unaccompanied by physical cruelty in the ordinary sense of the word. They were in themselves unjustifiable, and the harm which may result is incalculable. It would, however, be a mistake to suppose that the administration of martial law was on the whole either tyrannical or unreasonable, and an indiscriminate indictment of British rule on the strength of the indefensible action of individuals would be unjust in the extreme. The ghastly tragedy at Amritsar comes as a greater shock because of its exceptional and un-British character.

It is too early yet to speak of the effects which the Hunter Report, so eagerly awaited by responsible politicians in India, will exert upon the situation. As already indicated, the report of the Extremists has so far produced little effect, principally because the Moderates have refused to consider it as anything more than an *ex parte* statement. But now that the Hunter Report has appeared this party will be compelled to declare its attitude. That the general facts of the outbreaks, as accepted by both English and Indian members of the Commission, will be seriously questioned, there is little chance. But despite all the care which the Indian minority have taken to exculpate the Government of India, it is difficult to see how their view could be adopted without imputing incompetence and lack of vision to the present administration, and such an imputation might prove a source of grave embarrassment to the Moderates in their

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stand for the principle of co-operation. It might even play directly into the hands of the Extremists at the approaching elections. On the other hand, if the decision of the majority of the Hunter Commission should commend itself to them, though the Moderates would be free from embarrassment in their advocacy of whole-hearted co-operation, and able emphatically to denounce the administrative mistakes which the Majority Report condemns in terms so free from ambiguity, can it be reasonably expected that as Indians they will be content to abide by the decision of the British members? The difference resolves itself into this: Was the whole administration of India gravely at fault: or were individual administrators to blame for spoiling a record which otherwise would have been perfectly clean? The majority, as we have seen, of the Hunter Commission emphatically adopt the latter alternative: the minority, though with less confidence, incline to the former. As a third alternative it is possible that the Moderates may adopt neither the majority nor the minority Report in its entirety, but may prefer to follow their own judgment.

In Britain, and in every other portion of the Commonwealth where Indian affairs excite even a passing interest, the Hunter Report will be read with relief. There is, however, a heavy responsibility on those who far away in England or elsewhere write about events which have for so long agitated the public mind in India. There is no room for prejudice either of party or of race. Judicial fairness is called for from them as from the Commission. Both must disregard all considerations except the naked truth. The future of India depends upon the chance of Indians and British working loyally together in its highest interests. Sympathy and understanding will help the efforts of any moderate party with this end in view. On the other hand, if a burden of ill-will and race hatred is imposed upon the approaching reforms, there is a danger of the delicately adjusted machinery of administration breaking down in chaos.



THE WORLD IN CONFERENCE

Then David the King stood up upon his feet, and said, Hear me, my brethren and my people : as for me, I had in mine heart to build an house of rest for the ark of the covenant of the Lord, and for the footstool of our God, and had made ready for the building : But God said unto me, Thou shalt not build an house for my name, because thou hast been a man of war, and hast shed blood. . . . Solomon thy son, he shall build my house and my courts. . . . Take heed now : for the Lord hath chosen thee to build an house for the sanctuary : be strong and do it.

I. THE LEAGUE OF NATIONS, AS CONCEIVED IN THE WAR

THE nineteenth century was a period when the thought and labour of previous ages was yielding a prodigious harvest. To many in the Anglo-Saxon communities saecular problems appeared to be nearing their solution. The system of society as they knew it was tacitly accepted as final in its outlines. Victorians were very well satisfied with their own generation, and self-satisfaction is always a dangerous mood, for the reason that it never sorts with the facts. The South African War somewhat disturbed this frame of mind. The war with Germany utterly destroyed it. Men in millions bred to the comfort and security of civilised life were suddenly called to face horrors without example in the cruellest ages of barbarism. The experience struck them with the force of revelation. Complacent illusions were violently shattered. With a world where such things as they saw and

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endured could happen, there was clearly something amiss, which must be put right when the war was over. When this raging fire was put out a new better world must be raised from the ruins. To defeat the enemy was merely the first step in a nobler enterprise. The puritan spirit, always latent in the Anglo-Saxon character, revived in the citizen armies, nerved them for the struggle, and was in the end the determining factor.

How prevalent these feelings were in the minds of our soldiers may be gathered from the following words blurted out by one of them in the House of Commons :—

We were in an attack. I do not think there were more than 70 yards, certainly not 100 yards, between the German barrage and our own. We advanced between that double curtain of fire, and it looked as if at any moment the little part in which one was might be crushed out of existence. As so often happened on these occasions, some elementary thoughts occurred to my mind, and I turned round to an officer near me, and said : “ What do you think of this whole business ? ” His reply was : “ What inconceivable folly.” That was always in our mind. What was always impressed on our minds and always present to our minds was the madness of war. Whatever there may have been in the minds of people sitting at home, we, who were right in the thick of the fight, felt no anger in our hearts. We might have simulated anger, but we felt no real anger in our hearts against the Huns. On a very similar occasion I heard one soldier, at a very critical time, say “ Thank goodness this is the last war.” I said, “ Why the last war ? ” and his reply was, “ If it is not, then the world is bankrupt in statesmanship.” I am sure that nineteen soldiers out of every twenty felt that.

So long as the war was on and until the job was completely finished and the mess cleared up, we were all prepared to go on with it ; but we knew, or we believed, that the havoc was so colossal, the misery so tremendous, that when the world came to its senses again something would be devised, some machinery would be devised, some league of nations would be established to bring the nations together, and we felt that it would have firmly behind it the young men who had seen war, and who knew what it meant.

Such feelings, however, were not confined to the armies. They were shared by millions of parents, sisters and

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wives, whose men were lost to them in the prime of life, or were spared to them only as broken cripples. The work of the soldier had to be done; but when it was done statesmen must see that it should never need to be done over again. Such a world of anguish was not to be justified by removing the German menace, by exacting punishment for wrong done, by redrawing the map of Europe, or by starting her smaller nations on a new career. Some new plan for so ordering the affairs of the world as to make war impossible must be framed by the governments assembled in Paris. The harvest of victory would rot ungathered if the Conference failed to devise some organ of world-control.

II. THE PRESENT DISCONTENT AND ITS REMEDY

IN the course of a struggle, the issue of which was long doubtful, the enemy came to be thought of as the one bar to a world reconstituted on reasonable lines. With a victory more complete than those of our dreams, and won on the morrow of despair, the rest looked easy. The period of the armistice was one of great expectations. The spirits of a people, proverbially phlegmatic, had never in all their history been so high. With the first results of the peace before them they have now sunk to the opposite extreme. A sense of failure and frustration is abroad. We are threatened by a spirit of pessimism just as dangerous as the easy optimism of the Victorian Age. For despair, like its opposite self-satisfaction, never sorts with the facts. The remedy for both is calmly to look at the facts, to take their measure, and to weigh with discriminating eye their merits as well as their defects. If something is radically wrong with the structure of society, our first business is to see what it is, and not shrink from a restatement of facts because they are obvious and commonplace.

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III. DIAGNOSIS

LET us glance for a moment at the structure as a whole. There is in fact no structure in the true sense of the word. It is separated into a number of recognised states, within the frontiers of which the common interests and material relations of all are governed by law. In respect of this law the government of each state has three functions, and civil war is the penalty of ultimate failure to discharge any one of them. It has to adapt the law to the ever-changing conditions of life and the consequent shifting in mutual relations. It has also to provide judicial machinery for interpreting the law in its application to practical questions as they arise. Its final function is to see that the law is obeyed. Mere usage is not law. Law ceases to be law unless it is generally obeyed, and gives place to a condition expressed by the Greek word "anarchy." A state in which the government cannot enforce the law presently ceases to exist. Government assumes the right to make whatever laws may seem necessary for the general welfare, and to compel every citizen to obey them, even when to do so seems contrary to his private interests. It is needless here to discuss the ethical problem whether governments are morally entitled to make these assumptions and claims. That they do make them is a fact which cannot be ignored. A glance at the laws passed and enforced in the late war shows that the freest governments in the world assume the right to demand from each individual a sacrifice of all his interests, including his life, for the benefit of the whole body of citizens.

The enforcement of this claim depends upon whether enough of the citizens are willing to support the government against criminals or rebels, if necessary at the cost of their own lives. The persons of whom a state is composed must be so arranged that self-interest helps to keep them

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united. What upholds the structure is the opposite of self-interest. As the stones of an arch are held together by their weight, yet only by capacity to resist weight, so the citizens of a state are combined by self-interest, yet only by virtue of capacity to resist it. The arch is a triumph over gravity, and the state a triumph over selfishness, both achieved by a quality stronger than gravity or selfishness. The state stands only by virtue of all that is selfless in human nature. "If I forget thee, O Jerusalem, let my right hand forget her cunning." As Inge, in his essay on patriotism, remarks of this saying: "These emotions of loyalty and devotion are by no means to be checked or despised. They have an infinite potency for good. In spiritual things there is no conflict between intensity and expansion. The deepest sympathy is potentially also the widest. He who loves not his home or country which he has seen, how shall he love humanity in general which he has not seen? There are, after all, few emotions of which one has less reason to be ashamed than the little lump in the throat which the Englishman feels when he first catches sight of the white cliffs of Dover." *

Of all states this much is true. But of some like the British and American Commonwealths, of France, Italy, and others of a similar type, there is more to be said. In states of this order governments are chosen and law is dictated to an ever increasing degree by an ever increasing proportion of the citizens. To identify government with the largest possible circle of citizens is their aim. They rest on the principle that human beings can be taught, and, indeed, can only be taught by experience and will learn to govern in so far as they are able and free to govern. Their conscious object is self-control in public affairs.

Before the war, however, there were several great civilised states based on a principle the opposite of self-government. In Germany and Austria, whatever the forms of government might be, the ordinary subject was regarded by his

* *Outspoken Essays*, p. 58.

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rulers as permanently unfit to control them. For his own good he must submit to the control of the gifted few. For his own good he must learn the lesson of submission ; and conversely it was the dominant motive of the few to concentrate power in their own hands. The desire to rule grew to an appetite which was not limited to their own frontiers. They aspired to govern the world, and to give laws to mankind, nor was it difficult to show that the world was in need of government and law. They promised their peoples world control as the price of their own submission and the promise was accepted. The government which Germany offered mankind was the reflex of its own. It meant destruction of all the ideals for which the free nations stood, and the inevitable result was war.

Power pursued for its own sake eludes the seeker and destroys his faith. It is barren of seed. Freedom begets its own seed in ever increasing measure. What broke the German armies was loss of faith in their own ideals. The faith which sustained those of the Allies was rooted in facts and made them unconquerable. To follow power is to follow a mirage and perish in the desert. The one genuine goal is freedom, however distant the vision, or dim the glimpses we catch of it.

The maintenance of governments to which power is a goal in communities ripe or ripening for freedom, and the failures of commonwealths to appreciate and realise their own ideals, have served to discredit the state as an institution. Its moral foundations have been forgotten in the pursuit of vague cosmopolitan systems which have no such foundations. Blindness to genuine values is as great a danger as blindness to real defects. The state is the only foundation for freedom. Our mistake has been in supposing that full freedom could ever be realised in a state subject to limitations. Before the war we had drifted into thinking that we, at any rate, were masters of our fate, whatever the case might be with others. We at least had achieved our freedom.

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No one who walked the streets of London on August 4, 1914, can ever forget the impressions of that day. On every face was written the sense of illusion suddenly destroyed. The very foundations of their life were shaken by forces which lay beyond their control. Month by month and year by year the tragedy grew. Throughout Belgium and a great section of France the last vestige of freedom vanished. Serbia was trampled by a tyranny more cruel and searching than conquered peoples ever endured at the hands of Attila. On the British themselves modes of life alien to all their instincts and habits were imposed. Their liberties were restricted by minute regulations. Their property was taxed to the last farthing, and millions were drafted and sent to face the worst horrors which human ingenuity could devise. In the Western and Southern hemispheres the same compelling influence was presently felt. Conscription was imposed on the whole of America north of Mexico. Millions born to a birthright of freedom submitted to a system more rigorous and exacting than slavery. Plans conceived in the centre of Europe subverted the lives of hillmen in Nepal. Their effects were felt on the upper reaches of Chinese rivers. To-day the man scarcely breathes whose life has not been changed by policies hatched in the offices of Berlin.

The peoples to whom their governments are answerable thus came to realise how narrowly limited are the interests which they, through those governments, are able to control. It is only in certain departments of life, and in those only to a limited degree, that human interests are subject to law, or to the will of the peoples competent to mould it. In a vast range of matters, affecting not only status and property but life itself, their real freedom of choice may vanish into air. The freedom established for specified areas, as the product of a government and law subject to the popular will, is limited by the fact that there is no government or law for mankind as a whole. The world at large is a field of anarchy, and bondage, its natural offspring,

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invades the innermost sanctuaries of freedom. The struggle for liberty was not, as men thought before the war, virtually won. It had only begun. Its essence was commonly misconceived as something opposed to government and law—as though one might say that concave and convex are contrary ideas, instead of two aspects of a single arc. In truth the rule of law and the reign of liberty are different aspects of one condition. Restrictions in one are defects in the other.

So long as government is limited to separate sections of mankind, some freedom is realised by those sections which achieve the control of their several governments. In America, for instance, a certain degree of freedom and self-control is attained. But the war has shown how far the life of Americans is subject to conditions beyond their control. The American Commonwealth, like all others, is based on the fact that the communities which compose it have certain interests in common. Their union took nearly a century to accomplish, and was only consummated by the civil war, which showed that enough Americans were then prepared to die in order that the law of the United States might be binding on all its citizens. That such a condition existed in the time of Washington is more than doubtful. The spiritual basis of American law which stood the test of the civil war was a subsequent growth. The hundred millions who obey that law are a state and also a commonwealth in the true sense of those words, and their free statehood has opened to them a life infinitely higher than they could ever have achieved without it. Freedom, the real end of life, has been attained in a relatively high degree, and also peace, its natural by-product. No other territory inhabited by an equal number of people enjoys such immunity from war. The contrast, in this respect, with the states to the south is remarkable. Those which seceded from Spain and Portugal had as much to gain by union as those which seceded from England. But the spiritual basis of political union has never been deve-

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loped, and therefore they live on a lower plane of well-being. The degree of freedom attained is relatively low. Nowhere, perhaps, is war more frequent.

In the course of the last century the various communities of the world have become intensely dependent on each other. What each does or leaves undone has an intimate effect on all the others. The states of the world are to-day more interdependent than were the thirteen states of North America at the moment of their union. Humanity could gain infinitely more by uniting in one federal state than the people of the thirteen colonies gained in 1787. What the world needs is a world commonwealth, with a law, in matters common to all, moulded, interpreted and enforced by a government which is not responsible to governments, but to all men capable of political judgment. The attainment of a world commonwealth is the inexorable condition of world freedom—of life, that is, in the highest form which this planet can offer. Immunity from war will be one of the results of such freedom and a visible sign of its attainment.

This final freedom with all its manifold blessings is not in sight, for the spiritual basis of the world commonwealth is as yet lacking. If to-day a world government were erected, its law would quickly be questioned by a number of subordinate governments. Those governments would not appeal in vain to their citizens to support them, for the affection of those citizens for their own communities is, as yet, stronger than their affection for mankind. The response to an appeal made by a President of the world to citizens of the world, to enforce the law of the world as against the recalcitrant governments, would be utterly inadequate to cope with the forces which nationalist devotion would place at their disposal. The kind of devotion which individuals render to communities as great as the British and American commonwealths is an immense step in human progress. It has made possible the reign of law amongst vast aggregates of human beings. It is rich with

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the promise of a loyalty which knows no bounds narrower than those of the world. The fulfilment of that promise, though not in sight, is yet the only intelligible goal. At every turn we should ask whether this way or that leads to the goal.

Though the era of a world state is not yet, the war has marked one definite advance on the road to it. The old assumption that in foreign affairs each state must consider its own interest to the exclusion of all others no longer commands general assent. Public opinion has begun to realise that a statesman who does so misconceives the real interest of the state which he represents. He is moving in blinkers, and sees the facts immediately before him out of relation to the whole range of facts which he does not see. Public opinion has begun to expect that national policies should be framed with an eye to their effect on the world at large, and not merely with reference to the isolated interests of each separate nation. If we cannot as yet erect a government of the world, we can at least help statesmen to survey the whole field which their action affects. The statesmen whose action, for good or evil, is decisive in that field can at least be assembled in conference. Such consultations, as experience shows, are helpful and necessary. They enable statesmen to see how the action they propose will be viewed by communities other than their own. They force them to give the reasons for their proposals and therefore to think them out, destroy the atmosphere in which purely nationalist policies flourish, and compel the growth of a wider view. They also enable decisions to be reached more quickly. On the public mind the effect is even greater. A standing conference of leading statesmen bears witness to the growth of a world interest. Though it does not constitute unity it proclaims and acknowledges the need for unity. Its very failures will in time teach the nations the conditions which must be realised before unity is possible.

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THE ultimate goal is one thing, the immediate aim is another, but a clear conception of the goal is the necessary index to the next practical step towards it. To confuse the two is the commonest source of error; for human nature is singularly prone to will great ends while shirking the necessary means. Many shams which the world has begotten to its own undoing have sprung from this source. How far is our present sense of failure due to it? To answer this question it is necessary to look back and examine the influences under which the work at Paris was done.

No serious thinker or practical statesman believed that the Conference of Paris could create a government to which the people of the world would transfer the allegiance they now render to the governments of their several states. But none the less the world was deluged with vague talk on the subject. Existing states, we were told, must yield some measure of their sovereignty to the League of Nations. The League of Nations must have an army and navy of its own strong enough to enforce its will on recalcitrant states, while national armaments must be reduced to the point necessary for maintaining internal order and for defence. Armaments, so it was assumed, were the primary cause of war. The nations must sign a covenant not to fight any more. And there must be machinery for settling disputes as they arise. International courts, said the jurists, were the "sovereign'st thing on earth" against battle, murder and sudden death.

Cobblers say there is nothing like leather, bankers nothing like gold, soldiers nothing like armies, sailors nothing like fleets, and jurists nothing like courts. To believe in the particular efficacy of one's own speciality is human nature. Jurists, accustomed to the smooth working

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of courts, assume the execution of their judgments as a matter of course, and are apt to forget that their efficacy is due to the position they occupy as organs of the state. They also overrate the part which courts play in preventing conflicts. The primary function of government is not to decide disputes when they have arisen, but to settle relations between sections and persons on lines so just and clear that a conflict of interest may never arise. The decision of disputes by courts after they have arisen is a secondary function, and one the growth of which usually points to some failure in the primary function of securing that the law is just. Where statesmanship fails beyond a certain point, the action of courts cannot remedy the failure. Indeed, a point may be reached where judicial decisions may serve to precipitate a conflict. In America the continued existence of slavery in certain States involved a latent antagonism with the States which excluded slavery. When both claimed the western hinterland as a sphere for the extension of their respective systems they were bound to come into open conflict. Exactly the same must have happened in the British Commonwealth, as it spread over tropical Africa, if slavery had not been eradicated in time from the West Indies and the Cape Colony. The survival of slavery in the southern States marked a previous failure in statesmanship. It is fruitless to speculate whether that failure could have been avoided, whether, for instance Congress, like Parliament, might have provided a fund for the gradual redemption of the slaves. But we can, in the light of events, say that, given the continuance of slavery, civil war was an absolute certainty. We can see, too, that the very complete judicial machinery provided by the Constitution for settling disputes between the States would never have averted that conflict. It was, in fact, a decision of the Supreme Court which kindled the torch.

A point so important is worth illustrating nearer home. What man in his senses thinks that courts or boards of conciliation can do anything to avert the conflict now

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threatening in Ireland? That conflict has its roots in the oldest, greatest and most continuous failure of Anglo-Saxon statecraft.

The same is true of the international sphere. Boards of conciliation and courts of arbitration may compose disputes which would otherwise inflame international relations. Within those limits they may do invaluable work. They have settled, for instance, disputes which might have inflamed public opinion in the British and American commonwealths, and in France. They can remove dust capable of causing dangerous friction in bearings. But where heat is due to faults in the design or workmanship of the bearings they can do nothing. Judges are minders, not fitters or engineers. A settlement of the issues raised by the murder of Serajevo could only have postponed the war. Its causes were infinitely deeper. The murder itself raised no real issues. It was seized upon as a useful occasion for war by irresponsible rulers who believed that their day had come. It is even possible that the occasion itself was the work of accomplices.

The over-emphasis placed by jurists on conciliation and on arbitration arises from a failure to distinguish occasions of conflict from causes of war. In domestic policy their whole training limits their view to occasions of conflict, and hence the notorious failure of the legal mind in the sphere of statesmanship. In foreign affairs they are even more dangerous advisers. Machinery for conciliating and adjudicating disputes—for dealing, that is, with occasions of conflict—has its uses in a League of Nations. But machinery for handling the real causes from which great conflicts arise is of infinitely greater importance.

Of all these specifics compounded and embraced under one formula, the League of Nations was, in the phrase of President Wilson, to be the "instrumentality." A world in anguish listened as eagerly as a sick man who neglects the primary laws of health listens to the promise of an immediate cure. He came to Europe as the apostle of this

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remedy, and in Europe found innumerable disciples. The making of treaties in Paris was, he rightly said, a secondary business. Its primary function was not to end this war but concert measures for preventing its recurrence. He was less clear as to what those measures should be. Nor did he see that the task which is most important is not of necessity the one on which to begin. But on this he insisted, that the construction of a League of Nations should be put in hand forthwith. The force of public opinion behind the President in Europe was such that the heads of the other great powers acquiesced. Public opinion, they felt, required that something should be done without delay. Moreover, they were desperately busy themselves, and they left it to him.

From the barren business of distributing blame for hypothetical errors there is less than nothing to be gained. From experience there is everything to be gained. To learn what ought to be done in the future we must see what was actually done in the past, and try to think what might have been done better in the light of events, always remembering that those who did the work were denied that light. We must also remember some things quickly forgotten but very present to them. A useful work is being done by some of the British and American experts in preparing a record of the Conference in which they took part, to which further reference will be made in this article. From the first volume,* which has just appeared, some idea may be gained of the number and complexity of the questions with which the Conference was asked to deal. The problems of the whole disordered world were dumped together for settlement in Paris. And no one could assume the rôle of director, dictate a procedure, sort out the questions, or prescribe the order of discussion. The critics were constantly saying "the Conference should do this" or "the Conference should do that," just as they were used to

* *A History of the Peace Conference of Paris*. Edited by Major Harold Temperly. The Oxford University Press, Hodder and Stoughton.

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saying "the government should do this or that," ignoring the fact that a government is organic and a conference is not. At the Conference even decisions on procedure required the assent, not of one cabinet but of five separate powers. Between a government and a conference of governments there lies an unbridgeable gulf, habitually ignored by a great body of political writers. As several reviewers of this volume remark, the real wonder is not that the treaties were long in making, but that they ever came to be settled at all. The writer who describes the organisation of the Conference observes, "It cannot be too strongly stressed that during all the time the Conference sat it acted as the executive government of a Europe and Asia torn by war, threatened by revolution, and almost deprived of the necessities of life."* The interiors of three continents had been gutted. From their first meeting in Paris the statesmen were constantly diverted from the task of reconstructing the fabric to that of extinguishing flames where they broke out anew, and of shoring up ruined and tottering walls.

The war had produced the Supreme Council, on which the leading statesmen of Europe had learned to act together as a Committee of Public Safety for the world. After the armistice the Supreme Council continued to handle a situation, the dangers of which could only be met by prompt decisions. In January, 1919, it was not humanly possible for men like M. Clemenceau, Mr. Lloyd George and Signor Orlando to design a League of Nations. But the public demand, voiced by President Wilson, that this item should stand in the forefront of the programme was too insistent to be ignored. A decision was therefore arrived at to relegate the whole matter to a commission forthwith. From the necessities of the case that commission could not include the handful of statesmen upon whose shoulders the responsibilities of the Supreme Council had rested. Yet

* *A History of the Peace Conference of Paris*, p. 256.

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had it excluded all the chiefs, the subsequent results would have been different. The Commission would have framed its plan like any other commission. In due time it would have come before a council of chiefs in no way committed to its terms. Had they deemed it impracticable they could have referred it back to the Commission or have taken steps to begin the work over again themselves. But all this was rendered impossible when President Wilson decided himself to sit on the Commission and to act as its chairman. From that moment its results were final in all essentials ; for they came to the council of chiefs as the President's plan, as one which could not in its main outlines be questioned by his colleagues.

The scheme was thus framed apart from the men who had the experience gained on the Supreme Council, and in anticipation of the still more important experience of ordering the affairs of the world to be gained at Paris. Its form was dominated by conceptions natural to the Head of a Republic with a written constitution. The influence of that constitution can be seen on the draft submitted by the President, and at once accepted as the basis of the Covenant. Written constitutions have always miscarried except in so far as they codified experience previously gained in practice. The whole matter of the American Constitution had been worked out in centuries of political experience gained in England and America. A Commission appointed to draft an American Constitution in the reign of Queen Anne would have lacked the materials which subsequent experience supplied to the Congress of 1787. It merely adapted to American conditions machinery the various devices of which had been developed, modified and tested in practice. Before the war the ordering of world affairs on a world basis had only been attempted at rare intervals. The first attempt to develop the mechanism and test it in peace had still to be made at Paris.

The minds of the Commission were coloured by the vague conceptions which clouded public opinion, especially

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in the English-speaking communities. And the basis on which they worked, framed as it was by draftsmen whose minds were saturated with the Constitution of the United States, contributed to this result. Some ingredients from every specific were included in the compound. The nations were committed to "the acceptance of obligations not to resort to war," to "the reduction of national armaments," to "respect and preserve as against external aggression the territorial integrity and existing political independence of all the members of the League." Provision was made "for the establishment of a Permanent Court of International Justice." An elaborate procedure was also prescribed for conciliating disputes as they arose through the agency of an assembly including representatives of all the states members of the League and of a Council which includes the great powers and four others.

Let us glance for a moment at the constitution of these two bodies. The authors of the Covenant knew full well that none of the nations would agree in advance that its government should be bound in matters of policy by the votes of the others. The League was limited by the first article of the Covenant to fully self-governing states, and in such states the government derives its mandate from its own voters. Such a mandate cannot be qualified. From its nature legal sovereignty cannot be divided. The talk of conceding to a League of Nations some elements of sovereignty is mere confusion of mind. All this was recognised when the authors of the Covenant provided that in matters of policy the conference of members could only be bound by unanimous agreement. They realised that a conference of over thirty members (now about forty) will seldom agree to anything, and that much time will be spent in finding that agreements cannot be reached. Such a body will have its uses. It will ventilate opinion and oblige its members to justify their views. But if it should prove in practice to mean that no one could do anything, then the last state of the world would be worse than the

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first. So side by side with the larger conference, the Commission provided a smaller conference including, or destined to include, the few great powers which represent the vast majority of civilised mankind. The agreement or discord of these powers is to an overwhelming extent the determining factor in the affairs of the world. Their agreement, when attainable, does in fact constitute a real measure of world control, because the peoples to whom they are answerable are so large a proportion of mankind. And agreement, if difficult, is often possible because they are so few. The principal allied and associated powers represented at Paris were admitted to this body, and provision was made for the future admission of Germany, Russia, or any power of similar magnitude which might realise the conditions of a self-governing state.

To begin with, the Commission appointed by the Plenary Conference on January 25 had consisted of two representatives from each of the five great powers, and one representative from five other states selected by the minor powers. The states so selected were Belgium, Brazil, China, Portugal, and Serbia. But, in spite of the so-called election, the theory that these five governments could in any way represent the rest quickly broke down. An agitation on the part of the smaller powers led to the addition on February 6 of Czecho-Slovakia, Greece, Poland and Rumania. A cry was raised by these smaller powers that the Council, if confined to the great powers, was simply a revival of the Holy Alliance. Only a moderate knowledge of history was needed to answer this charge. The alliance which sprang from the Congress of Vienna was a league, not of nations but of despots, and as such was inevitably applied to the maintenance and extension of despotism. The defects of its policy sprang from the character of the governments in the alliance and not from the number of their subjects. Membership in the League of Nations, and therefore in the Council, was confined to fully self-governing states, and Germany and Russia could

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not be admitted until England, America, France, Italy and Japan were severally satisfied that they were so in fact as well as in name.

It is not in the nature of things that a conference of commonwealths would be guilty of the sins which discredited the Holy Alliance. That the will of the great powers when unanimous would overrule that of the smaller powers was certainly true; and small powers, like everyone else, object to being overruled. But here we are faced by the old dilemma. In the absence of a world state, any measure of control in world affairs must be based on agreement between governments. But the Conference of Paris and all previous experience have proved that in practice the conferences of more than some half-dozen states are barren of decisions. Even when the negotiations were confined to the great powers, "the necessity of securing unanimity of decision caused much delay and was fruitful in producing at times most undesirable compromises. It is well known that the most rapid and smooth period of the conference was that during which the Italians were absent from it. This result was due mainly to the fact that three statesmen were much more likely to agree in decisions than four. Where unanimity was essential to all decisions the effect of the opposition of one might be virtually to veto all business." * So long as mankind remains divided into a large number of states, no measure of co-ordination based on the agreement of more than a very few of them is possible. That few must include the great civilised powers. But every addition to that number is a fresh nail in the coffin of co-ordinated policy.

The Commission, however, was stampeded by the spectre of the Holy Alliance. The whole body of members were empowered, if they could agree, to add four minor states to the Council. Until they could agree, Belgium, Brazil, Spain and Greece were added to the Council, and are likely to remain there.

* *A History of the Peace Conference of Paris*, vol. i. p. 274.

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The Covenant thus provided for two conferences. The one includes all its members. The most insignificant states can there secure a hearing and demand explanations. But in any matter of importance the members are too numerous to yield decisions. The other includes four minor states as well as the great powers, and whether it can yield decisions remains to be seen.

Such in substance is the machinery of the League available for handling the causes of war. But, yielding to the influences under which they worked, its authors proceeded to disguise this machinery in the trappings of a government of mankind. The larger conference is called an Assembly, a word long appropriated to legislative bodies. It is thus presented as a legislature, when it is in fact nothing of the kind. In like manner the smaller body is called a Council, and the whole instrument is framed to make it appear as if it were an executive responsible to the Assembly. In effect it is nothing of the kind, for the Assembly can neither remove it nor yet overrule it. In pursuance of the same idea the members of each body are said to have "votes" when in fact they can only decide questions of policy by agreement. The word "vote" is strictly correlative to methods of decision only employed where agreement has failed. In gatherings where unanimous agreement is reached the fact is signified by cries of "agreed, agreed," and where agreement cannot be reached by cries of "vote, vote." To describe as a vote the act of a state in assenting to or withholding from decisions which cannot be ratified without its consent is a mischievous abuse of language.

The authors of the Covenant were in fact caught in their own net. It would be incredible, were it not true, that in the United States this misuse of the word "vote" proved to be a weapon in the hands of its enemies only less effective than article 10, by which each member guarantees the frontiers of every other.

The legitimate meaning of the word "vote" is so plain,

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that the authors of the Covenant, having misused it in articles 3 and 4, had to explain that they did not really mean what they said. In article 5 we are told that in all matters of policy "decisions at any meeting of the Assembly or of the Council shall require the agreement of all the members of the League represented at the meeting." To be frank, the power given to each member is not that of a vote but that of a veto. If the conference of governments established by the Covenant had been offered to the world as a plain conference, and not as a mock government, this provision of article 5 would not have been necessary. It was not necessary when the Supreme Council was established, or when the Allies were summoned to the Conference of Paris. Where treaties had to be made it went without saying that they must be agreed by all parties concerned. But treaties were only a part of the work which governments met to do in these conferences. A conference as such can do nothing; whatever is done has to be done by the separate governments which compose it, and their reason for meeting is *so far as possible* to harmonise and co-ordinate the action of each before it is taken. So long as there are separate governments in the world, the best we can do is to make agreement as ready and easy as possible before action has to be taken. But to say that no action shall be taken on matters discussed in the conference unless or until agreement is recorded by every party is a certain road to disaster.

In all this criticism we are hampered by doubts as to whether the authors of the Covenant had a clear conception of the purposes which the Council was intended to fulfil. Certainly they meant it to act as a body of conciliation when occasions of war had arisen. Their minds were full of the Phillimore report. The authors of that report, with their eyes riveted on the events of July, 1914, had suggested a standing council of ambassadors to deal with occasions of war as they arose. But no council of ambassadors could handle the causes of war, which could only be dealt with by

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heads of governments or ministers in charge of foreign affairs. The experience of handling such matters in conference was reserved for the statesmen who had worked together on the Supreme Council. But the chiefs themselves were not on the Commission, and, in their absence, the cardinal importance of the work transacted by the Supreme Council does not seem to have impressed the authors of the Covenant. Whether the Commission clearly intended the Council of the League to discharge the functions of the Supreme Council in normal times is a question which remains unanswered, and perhaps unanswerable. If they did, why was no provision made in the Covenant that Foreign Ministers, at least, should sit on the Council? Did they even recognise the vital distinction between causes of war and occasions of war, or the paramount importance of creating a conference which could really handle the causes of war? To these questions there is on the face of the Covenant no clear answer.

The President, as we now know, had a special reason for insisting that the League should be made before instead of after the treaties. If the Covenant and the treaties were tacked together, he believed that the Senate, with its hostile majority, would never dare to reject both. The one would carry the other. How fatal was this error we also know. The conference garnished to look like a government was accepted in America at its face value. "It will avail us nothing to discuss in detail the League Covenant, which was conceived for world super-government. . . . If this Supreme Council has left European relationship inextricably interwoven in the League compact, our sympathy for Europe only magnifies our own good fortune in resisting involvement. It is better to be a free and disinterested agent for international justice, with the covenant of conscience, than to be shackled by a written compact which surrenders freedom of action and gives to a military alliance the right to proclaim America's duty to the world. No surrender of our rights to a world council

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or its military alliance, no assumed mandatory, however appealing, shall ever summon the sons of this republic to war." Such is the appeal to American feeling by which Senator Harding is now able to herald his attack on the President's policy when seeking election to his office. The authors of the Covenant were, and still are, amazed at their own moderation, at their care to avoid "embarrassing and inflammatory matter." But fancy dresses are always embarrassing, and false flowers are commonly made from the same material as gun-cotton.

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OF all this much was due to the abnormal and highly-strung state of public opinion under the influence of which the Commission worked. It is worth considering what the results might have been if their work had been done after, instead of before, the treaties had been made. To begin with, the treaties would have been framed with a view to their acceptance by the Senate on their own merits. So framed and so submitted their chance of acceptance would surely have been better. The League would then have been shaped by men on whose shoulders the duty of ordering the world had actually rested, both during the war and afterwards at Paris. They, as well as public opinion, would have seen more clearly that nothing but a conference was as yet possible. The few men who have had this unique experience have realised the absolute necessity of a world conference, and are now bringing this truth home to the nations they represent. The words of Mr. Lloyd George on returning from Spa are eloquent on this point :—

There has been a good deal of rather cheap and silly gibing at conferences. The more European statesmen meet to discuss these difficulties the better for the peace of the world. If before 1914 we had had conferences of this kind we should have had no war.

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We were at breaking-point at least twice in this Conference. What happened? Private conversations, talks, interchange of views, attempts to find out whether something else could be done—the usual thing that happens at conferences—and the crisis is passed. That would inevitably happen if you could get these people to come face to face, and that is the way to avert war. We have cleared things up that years of correspondence would not have been able to deal with. The real value of the League of Nations is not its elaborate machine, but the fact that it provides a machine for those who are responsible for conducting the international affairs of Europe to come face to face. That is the real test.

This depreciation of these conferences is a serious mistake: I cannot imagine anything greater. Of course you have the cantankerous person who disapproves of everything and everybody except his own policy, but, apart from that, I cannot imagine anybody protesting against this conference except a lunatic or the proprietor of a sensational newspaper.

Such an utterance by one who has handled the affairs of the world in the most responsible position for the three most critical years of its history has more weight than the whole literature of the League of Nations. It brings us straight to the bedrock of an experience fuller than the Prime Minister himself had enjoyed in January, 1919.

Had the drafting of the Covenant been left to the close of the Conference, the new structure, however modest, would certainly have been based on the organisation developed in the actual making of the treaties. In plain words, some regular and permanent shape would have been given to the Conference of all the Allies, to the council of great powers there developed by sheer force of necessity, and also to the secretariat required for the conduct and record of its proceedings in ordinary times. In the eyes of many who have pinned their faith to the League of Nations the Conference of Paris and all its works other than the Covenant stand condemned. Outside those circles there are few indeed to whom the treaties it has made have not been a source of the bitterest disappointment. THE ROUND TABLE did not scruple to say that the reparation terms imposed on Germany were in flagrant

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breach of the agreement upon which the armistice was made. Voices which condemn the Conference now were silent on that subject, alike in the House of Commons and in the constituencies. But the visible imperfections of the Conference which actually existed were the best possible reason for building on those instead of on new and ideal foundations. Had the Conference of Paris, and the organisation there developed, been taken as the basis of a permanent organ through which to transact world affairs, real thought would have been given to their defects, and measures devised for counteracting them.

Are, for instance, the failures of the Conference methods as tried at Paris due in the main, as its critics would have us believe, to the vice, folly and incompetence of Mr. Lloyd George and the other principal actors? If a series of conferences were attended by similar defects, observant minds might begin to look for their cause in the system itself instead of in the men who work the system. The fact might begin to appear that want of the time really required for the task, rather than the folly or wickedness of statesmen, was the real cause of these failures. The settlement of difficult and delicate issues between a number of states is gravely prejudiced when ministers conducting them have at the same time to deal with strikes which threaten to develop into revolutions. The whole situation when understood may point to the unwisdom of allowing foreign relations to become a first charge on the time and strength of the heads of governments. Statesmen will see for themselves the practical and commonplace difficulties which stand in the way of conferences and devise the means of overcoming them. It is for this very reason that a writer in the History of the Conference urges the importance of examining the organisation it developed. "Some attempt to sum up its main characteristics in however tentative a fashion is necessary, since it is only by attempting to realise how the statesmen failed to satisfy completely the hopes which were held by the people at the

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outset of the Conference that any progress can be made in remedying their shortcomings. If the record of secret conferences, discarded experiments, and unsatisfactory compromises appears to read strangely in the light of much that was promised in the years of the war, this comparative failure is due to causes of which some can be discerned, and therefore prevented from producing similar results in the future." *

Had permanent machinery been initiated at the end of the Conference, its development would have proceeded on lines more nearly resembling those by which the machinery of popular government has been rendered effective. Experience itself would have pointed to the wisdom of leaving more freedom to apply the teachings of further experience. The plumes and trappings in which the League was decked instead of attracting, bolted America. A simpler agreement to discuss her relations with the rest of mankind in a conference placed on a permanent footing would not have alarmed her, nor provided a reason for withdrawing from the conference upon which she sat. Such a conference is in fact nothing but open diplomacy reduced to practical essentials. Above all, the danger of two competing world councils would have been avoided. Why is it that the Supreme Council continues to function while the League of Nations appears to languish? Such questions are best answered by reference to a concrete case. Why is it that the body which handled the affairs of the world at Spa was not the League of Nations but the old Supreme Council? To begin with, the Council of the League does not include statesmen of primary authority. Obsessed with the idea that they were creating something which would stand above and apart from governments, instead of a mere conference of governments with governments, the authors of the Covenant omitted to provide that the Council must consist of Foreign Ministers at least. The Council as a body

* *A History of the Peace Conference of Paris*, vol. i. p. 274.

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does not consist of men to whom such issues as had to be settled at Spa could be committed. It might and may consist of such men, but at present it does not.

Conditions, moreover, are even now far from normal. The world is still trembling between peace and war, and the situation is such as requires the rapid decisions called for in war. At Spa Europe was in reach of a general conflagration. The delay of a few days or hours would have rendered abortive any hopes of averting disaster which still remained. If timely agreement at Spa were possible, it was mainly because England was ready to act for herself if agreement were blocked. The Supreme Council is a conference pure and simple, unhampered by any provisions that nothing can be done unless all its members agree to the doing of it. That freedom is merely a question of checking the action of government is freely assumed by a certain class of political writers. In actual fact things undone are more fruitful in tragedy than those misdone. Neglect yields greater catastrophies than crime. Deadlock rather than oppression lies at the root of most revolutions. A world council in which no one can act unless it is unanimous will perish quickly or prepare the way to infinite calamity.

Again let us take a specific case. The authors of the Covenant, who now insist that the ordering of the world should be left to the League, are also those who insist that no time is too early for opening relations with Russia. The relations of Russia to the members of the League is a question of importance second to no other, which ought therefore to be handled in a world council. They would say, of course, that it ought to be dealt with by the Council of the League. But Millerand is committed to refusing all intercourse with the Soviet Government until the obligations of previous governments to foreign bondholders are recognised. The fact is public, for he gave this pledge in the Chamber. In the Council of the League Millerand cannot agree to such intercourse. In the Supreme Council

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he has no such veto. The whole question can be fully discussed : but, once it has been discussed, and agreement found impossible, then everyone is free to act as he will. In this case England acted for herself with the full approval of Italy. Some relations with Moscow were established, and short of measures tantamount to war afforded the only hold, however slight, which Western Europe had over Russia in the Polish imbroglio.

Now—to return to the question whether the business at Spa should have been sent to the Council of the League—there is of course nothing to prevent Mr. Lloyd George, M. Millerand and the Italian Prime Minister or Foreign Secretary from sitting on the Council. But how many people have realised that it would also have been necessary to summon ministers from Brazil, Greece, and Spain to Spa ? Could they have been brought there in time ? And if brought there, how far would their presence have protracted the proceedings ? There would have been three additional vetoes to conciliate. And time was running like a mill race to the whirlpools of war. The questions at issue, moreover, arose directly from conditions of a war in which Spain was a neutral. If we ask why the conference at Spa was not the conference provided by the Covenant, we need look no farther than its own terms. When normal times are reached it may prove that the presence of four additional members, unweighted by responsibilities which rest on the ministers of great powers, will not paralyse the Council of the League and render it abortive. But their presence unquestionably postpones the time when the Supreme Council with its elastic constitution can be merged in the Council of the League.

On the other hand no conference will long be effective which does not include all the great powers. The champions of the League have urged the importance of bringing Germany and Russia into the League and onto the Council as soon as possible ; and quite rightly. Yet they themselves have erected the most formidable obstacles against the

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inclusion of Germany and Russia, by clothing the League of Nations in the guise of a world state, with a written constitution. In terms of article I no motion to include Germany or Russia can be initiated until the Assembly meets, and, when it has met, a fraction of its members (slightly over a third) can veto the motion. But when the majority of two-thirds necessary to secure the admission of these powers has been obtained, the Council must agree to their inclusion in that body. It cannot be done by the agreement of England, France, Italy and Japan. The agreement of Belgium, Brazil, Spain and Greece is also necessary. And if all these obstacles can be overcome, the question must still await the next meeting of the Assembly, and then requires a majority vote before it is ratified.

Now compare with all this the working of the Supreme Council unfettered by the terms of a constitution. In response to the needs of the situation Germany was admitted to conference at Spa. The Ministers of England, France, Italy and Belgium there began to learn the difficult task of transacting world affairs in frank personal discussion with German ministers. A more eloquent testimony to the merits of empirical methods, as contrasted with those of agreeing to fixed rules of procedure, in advance of experience, which bind all parties in circumstances which no human intelligence can foresee, could hardly be imagined. Is there not in these facts some ground for fears that the authors of the Covenant may in their zeal have erected positive obstacles to effective co-operation in international affairs ?

VI. CONSTRUCTIVE CONCLUSIONS

THE modern farmer who knows his business no longer abandons a field which has failed to justify the labour bestowed on it. He obtains an analysis of the soil, and reviews his own methods of husbandry. In the light of analysis and criticism he supplies the constituents which

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are lacking in the soil, changes his methods, continues to change them, and watches the result. For analysis and criticism are alike subject to errors which can only be discovered and corrected by results. To sit down and do nothing is the only course which in all circumstances is always wrong. The only excuse for pausing, is to look, think and prepare for a new and better directed effort. Experience is the key to better analysis, better criticism, better execution ; and action alone can produce experience. The whole universe is a laboratory which yields its secrets only to continuous labour. And so the analysis and criticism here attempted is offered only as a basis for fresh effort, by which alone the methods employed can be tested. They are valuable only as leading to the question—What is the next thing to be done ?

The worst possible course is to leave the League crowned with flowers of rhetoric and masquerading as a government of mankind, while the real business is done in some different and separate body. This is the situation to-day ; and to acquiesce in it is to do nothing. No speech of a first-rank statesman is complete without a peroration in praise of the League. The Supreme Council, which does the work, is never the theme of perorations. While this continues the whole atmosphere is poisoned by insincerity. Legal fictions deceive no one. They are useful devices for adapting usage to commonsense and the growth of sound public opinion. With shams it is otherwise. They really deceive. Their effect in ruining the moral of those who have to work behind them, and in spite of them, is great beyond measure.

The League, and not the Supreme Council, is the recognised organ of international control. The most honest and careful criticism we can make of it is all hypothetical until it is tried. The difficulties of trying it at once arise from its own constitution. Our mandate to the government responsible to ourselves should be to try it at the first possible moment, and to try it sincerely. As to when it would be safe for the Supreme Council with its

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elastic constitution to give place to the rigid machinery of the League, responsible leaders alone can judge. For if, contrary to their judgment, they are ordered to make the change they will resign. Those who insist on immediate change must be prepared to take their place, and to rest responsible for all the consequences. The change, whenever made, consists in merging the Supreme Council in the Council of the League. The Foreign Ministers of England, France and Italy must sit on that body, and, when the Far East is in question, the Foreign Minister of Japan. And each Foreign Minister must be the *alter ego* of his Chief. The conference of Prime Ministers was necessary during the war, and for some time after it. But it cannot work in normal conditions. The mere question of the time which one Prime Minister has at his disposal is prohibitive. He must either neglect foreign affairs or else domestic affairs; and neglect of either will react on the other. His supreme function is to co-ordinate the action of his Foreign Secretary with that of the rest of his Cabinet. That Secretary must be his *animæ dimidium suæ*—a colleague who is part of his own mind. But that Premiers cannot meet often enough to make a world conference a reality is one of the clearest lessons of the last two years. Let the Foreign Ministers, then, see whether they can really do their proper work through the Council of the League as at present constituted. Let them face the question whether article 5 binds them to inaction in matters upon which unanimous agreement cannot be obtained. The answer to that question is of all others the most imperative. If they find that article 5 does impose an inaction which is in practice disastrous, then let them say so to Parliament, and obtain its support in demanding an amendment in terms of article 26.

The same course should be followed in respect of the four minor states included in the Council. If in experience it should prove that the presence of these members defeats the requirements of secrecy, delays action to a dangerous

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degree, and so renders the Council abortive, let them boldly seek the necessary amendment. Above all things let them avoid the creation of another unrecognised body which does the real business and reduces the *rôle* of the Council to that of a pretentious sham, as happened with the Plenary Council in Paris. The Assembly provides the proper outlet for mere discussion, and its *rôle* should not be duplicated in the Council. The supreme function of that body is to constitute a place where the leading statesmen of the world can discover their minds to each other. If the presence of ministers from Brazil, Belgium, Greece and Spain is in practice fatal to frank discovery, let the Council be limited to the great powers. A minor state, whose particular interests are affected by a question, must of necessity be called to the conference when that question is under discussion. As to that there is no dispute ; but the time of men who can make or mar the peace of mankind cannot be spared for meetings without reality. Their time is not the least precious of human assets, and shams impose a costly tax on it. The same considerations apply to the admission of Germany to the League and the Council, and also of Russia, whenever she develops a government capable of admission. Their admission can be blocked by any one of the eight nations now represented on the Council. It can also be blocked by a conjunction of states representing the merest fraction of mankind on the assembly. The continued exclusion of either of these powers would be fatal to the efficacy of a world conference. If it can be overcome in time through the procedure prescribed by the Covenant, or by the amendment of that procedure in terms of article 26, so much the better. The procedure and machinery for amendment should be tested by trying them, but within reasonable time, that is to say, within the limits of safety.

If, however, the machinery will not work in time, an effective alternative is opened by the third paragraph of article 1. By this provision England can give two years'

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notice of intention to withdraw from the League. But that notice should under no circumstances be given unless at the same time an invitation is issued to the other powers to a conference to be held forthwith to consider a new arrangement in the light of the experience gained. Such a conference can then do what might have been done by the Conference of Paris, if the creation of the League had been left to its close. It will then have at its disposal the experience not only of Paris, but that gained through several years of an attempt to work the League as defined by the Covenant. It can frame a simple agreement, providing for conference, but leaving the methods to develop in practice, such as no one could mistake for a world constitution. From such a conference it would be difficult for America to hold herself aloof. The mere question of convenience would draw her to its table. It is worth reflecting that the Dominions would never have been brought to the Imperial Conference, subject to a covenant involving such commitments as that of the League.

The principle of transacting world affairs in conference instead of by underground wires has come to stay. A conference there will be, whether the forms are recognised or not. But the development and perfection of its methods will depend upon how far the ostensible conference is the real conference. The currency of national relations is debased by counterfeit presentments. They gratify popular sentiment and meet the exigency of a moment. But their harvest is distrust. Ruinous in their effects, they are as hard to get rid of as paper money. In international relations sincerity is as precious as gold in finance. No policy will ever go far astray which persists in requiring that forms shall agree with realities, that the mechanism of politics shall be visible to the eye. The conferences of statesmen must be secret. What matters is our knowing when and how they confer, and amongst whom such conference lies. Secret machinery is a subtler danger than secret treaties.

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Once and again it has been urged in this article that nothing in the shape of a world state or a genuine government of mankind is for this generation in sight. But hopes which are out of sight are not for that reason out of mind. If in one respect the idea of a world state is before its time, in another it is long overdue. The ruthless ambitions of an Emperor, or the appetites he excited in the mind of the German people, were no more than sparks certain to fall on a world ready to burst into flames. The growing unity of mankind is the fruit of our achievements in knowledge. For purposes connected with the bread men eat, with the clothes they wear, with the fuel without which necessities of civilised life can neither be moved nor prepared, the world is a country inhabited by a single race. On the basis and presumption of this unity millions have been brought into being only to find disease, hunger and death staring them in the face because in their spiritual life and political organisation a correlative unity has yet to be realised.

Under modern conditions the nations cannot be assured of the necessities of existence. The mere terror of losing them drives them into conflicts which precipitate the worst evils they fear. Without question the world needs to be one state, with a government responsible to mankind. But the moral basis of that structure is still wanting. The resources of co-operation between separate nations must first be exhausted. It is only by experience and by suffering bitter and repeated, that men can learn how narrow their limits are. It is through such experience and suffering that in generations to come mankind will develop the only true foundations upon which can be based a genuine government of the world for the benefit of the world by the people of the world.

From a sense of failure there is everything to be gained, if it leads to a review of the measures adopted to reach the goal. For despair there is never any place. The Covenant may yet prove to be a stock upon which the

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lessons of experience can be grafted. That a final solution could be shaped in a few weeks of discussion was scarcely to be expected. Men who look to gather where they sow may grow greens for the pot or grain for the oven. Forests spring from the labour of those who will never feast in the halls roofed by their beams. Not in vain has the earth been ploughed in this war and the furrows sown with the noblest of seeds. Generations must live and die ere the strong and enduring growth is ripe for the axe, and others must come and go or ever the beams are hewn and joined of that final abode where all nations and kindreds and peoples and tongues shall dwell together as one.

THE CHANGING EAST

A PICTURE-WRITER once coined a phrase, "The Unchanging East," and Time has turned round and taken revenge upon him. The East is to-day the place of change—of changes so great and swift that in comparison with it our Europe is standing still. We have been much engaged lately, making wars and peaces, looking at our own hurts, and trying to restore the balance of the times, and so we have not always been able to spare attention to what Asia is doing or thinking. We have tried to deal with her on the old traditional lines, and to our dismay she has not reacted properly. There have been outbreaks, unrest, protestations, and we, lacking the knowledge of movements there, have missed the sequence and find ourselves reduced to force, as our last remedy and restoration.

Yet there is urgent need for comprehension, of a careful study of our possessions in Asia, in order that we may regain touch with their opinion. We are all agreed as to the need of this stock-taking, though few of us will agree later on the lessons of it. We sent out a commission to India, which considered reform in India; we sent out a commission to Egypt, to consider reform in Egypt. We heard talk the other day in the House of Lords of a commission for Mesopotamia. Even Malta has had one. These all have been piecemeal affairs, conducted by statesmen in blinkers, forbidden to see anything except the political conditions of the province to which they were addressed. None of them gave us a general survey of the

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new Asia : none of them described the disease as well as the remedy. This disease is physical, material, moral, mental, all you will. It is the civilisation-disease, the inevitable effect of too close contact with the West. The aborigines of Australia got it when they met us, and they died of it. There were biological reasons why their frames were too weak to stand contact with a body social so different from their own. Asia is tougher, older, more numerous, and will not die of us—but indubitably we have made her very ill. Europe is not a thing easily digested.

We see the strain we have put on Asia soonest in the domain of matter. We evolved our own machinery in long centuries of struggle and invention, years in which the face of Europe gradually changed, without any too violent misery, to suit the new ideas : we had pack-horses, solid wheels, springless waggons, coaches, railways, motor cars, aeroplanes : we found the progress indecently fast at times, and put men with red flags to walk before the machines while we breathed—but what of Asia, which has stepped in a lifetime of thirty years from saddle-donkeys to Rolls-Royce cars, from blood-mares to aeroplanes ? We grew by slow stages of muskets from bows to automatic guns : it took us five hundred years. The marauder of the desert laid away his spear just before the war, and to-day goes out on his raids with a Maxim. We invented the printing press four hundred years ago, and served a long apprenticeship by way of wooden types, screw and lever presses, steam presses, electric presses, to the cheap speed of the modern newspaper. The East has side by side the old-fashioned scribe, making each year a poorer living, and the linotype. The vernacular press came to them full-born. These are the material sides. Asia has in thirty years leaped across a stage which took us hundreds. She has not done it very well, perhaps, no better than parts of Russia, parts of the Balkans, parts of South America : the important part is that she has done it, and the Asia of Kinglake and Lamartine is wholly gone. Our eyes show

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us this, and some of us, the mediævalists, lament it. However, that is just a pose. The clock has never been put back: but the simplest thing in the world is to push its hands a little forward, and there are so many people pushing Asia that it is rather difficult to realise what the unassisted speed of its own ticking is. We will hardly learn this till they stop tinkering at it: yet it is important for us to learn it, since the earth is just a track along which countries and continents race with one another, and for all we know Asia may be gaining on us mentally.

This mental and moral growth is so hard to measure. The material changes prepare our heads to note great change in other ways, but their apprehension stays uncertain. There has been a change in ideas: we hear the people of Asia talking about representative government and parliaments. In our fathers' days they were governed by theocrats and autocrats. We think how long it took England to conceive and bring forth a House of Commons, and we begin to be astonished at this headlong Asia. There are labour troubles in Cairo and Bombay, a general strike in Mecca, trades union congresses in Constantinople. This disease they have caught quickly. Self-determination—yes, they have adopted that: League of Nations—they care more for it than we do. Things must be moving. Before the war we saw their politics changing, as the old springs of action became exhausted, and new motives came into play. In our fathers' days the East, and especially the Middle East, this side of Afghanistan, was logical, similar and simple. These countries, Persia, Turkey, Egypt and the rest, were old-established governments, of sultans and princes ruling by right, often by divine right, basing their regulations on the dictates of the state religion. The men were Moslems first, or Christians, or infidels of some sort. Later on, if there was any reason for it, they might be Turks or Arabs, but about this they were not too certain: the important thing was the faith. We cannot sneer at them. Only too recently, in the manuscript and cross-

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bow days, we were like them. About 1870, though, we began to see stirrings of a new idea, the sense of nationality, which had been invented in Western Europe, and had moved slowly south and east, causing turmoil and wars in the separate countries as it passed. Nationality is a turbulent principle, and has cost probably as many lives as religion, in its much briefer reign. It grew most virulent in its old age: the Balkans and Ireland, the last places to catch it, have it gravely. We, the older sufferers, seem now nearly immune from it: we may be passing into an economic stage, in which wars and governments will be mainly businesses. It sounds a futile motive of disputes. The economic motive may yet rank with religion and nationality in destructiveness.

However, the Middle East is not as far as this yet. Its first symptoms of nationality were shown in Turkey, when Midhat Pasha began to use French words in government; and in Egypt when Arabi Pasha rose up in arms, and began to drive out the Khedive and his Turkish entourage. Both ideas were sternly discouraged. The English bolstered up the foreign dynasty in Egypt, and Abd el Hamid took up Pan-Islam, a hierarchic conception of Islam, as a corrective to the Midhat notions. He got it from a German book, which had been confusing the Caliphate and the mediæval Papacy. However, the idea had a temporary success, and still holds some ground in India and Africa. For a few years there was peace in Asia, and Europe understood it again without having to change its way of thinking. This was better for Asia and for us, since, as a German pointed out, when we have to change our mind about a thing, we charge our inconvenience also to the account. The new ideas were not dead—indeed, they could not be, with the Balkans offering such a lively breeding ground of nationality-microbes at the gate of Asia: and some twenty or thirty years later they were patent once more, this time not as agitations, but as conspiracies. Persia was full of them: in the end she broke out into disorder and obtained a

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constitution, whose precise use afterwards puzzled her. She knew that a constitution was the fashionable thing—everybody who was anybody in states had one—but it did not seem to be able to work, itself, and no one in Persia had learnt its habits. However, they still have it, and have had it for ten years.

Turkey then came out strongly, after the British had made some little adjustments in Egypt, as safety-valves for political vapours. Abd el Hamid was stiffer than our Lord Cromer or Sir Eldon Gorst, and so Turkey's nationalism got so pent up that at last it blew him quite off his seat. This was a short end to Pan-Islam: the spiritual and temporal master of Islam was put in prison, and then deposed in favour of a mental degenerate. The old cry would no longer work, as they all in one week took up the new one. Turkey announced the brotherhood of peoples. The young Turks had forgotten their statistics when they made this statement, but events soon showed them their mistake. The Turks were a minority—perhaps only thirty or thirty-five per cent., in the Ottoman Empire. The subject races, Greeks, Armenians, Albanians, Kurds, Arabs, who formed the rest, could understand the idea of brotherhood, for they had been reading Herbert Spencer and his like for years, and saw at once that they were equal to the Turks, and that it was a sacred duty to go out and help them to establish this new era. So in their millions they began to join together, and think how best to carry on the common government.

Enver and his colleagues struck back in self-defence. They evolved a doctrine of Pan-Turanianism (a doctrine of mixed pedigree, out of a French book and a German book), which taught that the Ottoman Empire must become really Ottoman, and that to its boundaries of 1910 must be added all Turkish-speaking countries in the world. This gave them a broad domestic battle, and a projection later into Khiva and Russian Turkestan. The *irredenta* they decided to leave alone for the moment: first they would

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make these alien races inside the Empire one. It must be done quickly, for Europe was not looking kindly on them : so they took steps to lop the Greeks and Armenians to the proportions of their bedstead, and began to work upon the Arabs, to teach them Turkish as a first step, and to make them good Ottomans the second. They invented a sharp saying : " A Turkish ass is better than an alien prophet," to teach the people the relative worth of Islam and nationality. The subject races found Enver's little finger very heavy, and began to whisper to one another, in the strictest secrecy, that such things were contrary to the very principles of nationality in whose name they were done. These whisperings increased and became organised, till by 1914 there were healthy conspiracies, aiming to take local autonomy by force from Constantinople, afoot in Armenia, in Kurdistan, in Syria, and in Mesopotamia. Then the war came.

Even before the war we had all Turkey going shipwreck, by her own stupidity. The Turkish race have a fatal habit of obedience, unquestioning obedience, and an equally costly capacity for sacrificing themselves for their state. The first is demonstrated if in a crowded railway station in Turkey you say " Sit down " firmly. At once they all sit down : and the second has been demonstrated times without number during the war in their dogged holding of entrenched positions. Two such qualities imply some innate stupidity in the Turk, and that the native-born possesses in a wonderful degree. He had been a great governor—when government was a crude affair of character and muscle. In these days of telegraphs and high taxation his standard of performance was poor : actually he was not worse than before : only we were better, and so he looked bad. Even at this level he could not find masters of his own : his rulers were Albanians, Bulgars, Circassians, Jews, Armenians, anything but old Turks.

Like his government, so his trade passed away from the Turk. It became scientific, complicated, and he gave it up

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to the clever races, Jews, Armenians, Arabs, who understood book-keeping and economics. The wealth of Turkey and the manufactures and machinery fell into non-Turk hands. In fact, of his former dominion the Turk kept only the sword—and he tried to change even his sword, which he handled as well or better than any race in Europe, for rifles and big guns and aeroplanes, and in such new-fangled things his factor of efficiency soon dropped. He found that they put a premium on brains, and accordingly the meaner races, who used their wits before their hands, gained steadily on him. In the old days a few rusty horsemen had held Tripoli and Albania, and Arabia and Syria, and Mesopotamia and Armenia in subjection. Now each province demanded a substantial garrison. These garrisons had to be real Turks—no others but Anatolians were loyal—and so the conscription every year took a larger and larger percentage of the young generation. These were splendid rank and file, but the old classes were no longer fit for officers. An officer nowadays must read and write, and know a little mathematics, and study Von der Goltz: so they had to find them from the clerkly classes of the towns, sons of officials, and merchants' sons, and westernised young men. They were full of Byzantine vices, and utterly despised the peasant clods who were their soldiers. They neglected all such as did not minister to their pleasure; and with one disease and another, with bad sanitation, bad food, and casualties, the army began to eat up the youth of Turkey. The birth-rate in Anatolia fell, and we who were looking on could see Turkey shrivelling and dying of overstrain. The Italian war, the Balkan wars, were aggravations of an already hopeless state.

Then, when things were in this flux, thus came the war, and Asia, which had been moving fast for twenty years, put on a dizzy spurt, and left our expectations straining far behind. During the war Europe came bodily to Western Asia. On one side of the fence were the armies of the Germans, on this side the armies of the Allies.

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Each set great departments, fortified with all their resources, to work on the senses of the Orientals. We talked for and against Holy Wars, as finely as any Moslem dialectician. We preached of the rights of civilisation, of the laws of humanity, of international law, Geneva conventions, Hague conferences. We poured out leaflets, and picture papers, newspapers, films, all to convey an impression which should make the East understand us, and help us with conviction. Like other artists, the character we most illustrated in these productions was our own. The astonished peoples of Western Asia could not choose but hear us, and began, willingly or unwillingly, to see what we were like, and comprehend our least notions. They did not always like them, but they learned a lot. In particular they learned what each of us was fighting for (they heard it from all our mouths, and we all said much the same thing), and a thing sworn to by so many witnesses must surely be true. This liberty, this humanity, this culture, this self-determination, must be very valuable.

In the West, however crude and particular be the war-cry, there will always be an idea or principle behind : though in England you seldom drag the abstract word into the light : it is wiser to let those who think infer it from the illustration, while the vulgar worship the material image. In the East the people are more philosophical by nature, and often care more for the idea than the application. Anyway, they will insist on some abstraction to fill the vacant places of their minds. In the nineteenth century they had had religion, a creed with a body as well as a spirit, one which showed them their road by day as well as by night. They regulated their manners, their meals, their trades, their families, their politics, by its light. The attempt of Abd el Hamid to rationalise this, to make it logical as well as theological, smashed it. When he fell, so did the rule of faith in works. The East remained Moslem, but its public life turned national. People called themselves Egyptians, or Arabs, or Turks, and their news-

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papers, directed by men emancipated from formal Islam by the influence of western ideas, carried this difference of motive, this new outlook, into the smallest points of life. The abstract standard by which politics and conduct were now judged was this new one of nationality. The nation became the rule of life, the modern creed—and as the war drew on Moslem learnt to go out and fight Moslem, and accept death gladly in battle for the new ideal. When England was at her greatest straits to defend her straggled holdings in the East, these feelings reached their height—and the best measure of their height is not that Indian Moslem fought Turkish Moslem to vindicate the place of India as a partner in our Empire, but that the people of Mecca, the centre of Islam, under its Emir, the Sherif of Mecca, the senior descendant of the Prophet, rose in rebellion against the Caliph, the Sultan of Constantinople, and that this rebellion carried everyone of Arabic speech in Asia at least sympathetically to its side. This was the final triumph, the highest expression there can ever be in Western Asia of the principle of nationality as the foundation of political action, opposed to the principle of a world-religion, a supra-national creed. Not the Galilean but the politician had conquered.

The armistice came, but did not check this movement ; it made adherence to it more safe and more rational. The original stalwarts who marched north under Feisal side by side with Allenby had staked their heads on their fervent belief in an Arab Movement. Their victory made them fashionable, and removed the drawback of campaigning from their programme. Two months after the armistice Syria was nationalist in sentiment from south to north, Egypt was in arms against the British under a like banner, and the young officers of Turkey were banding together against the Sultan (thought to be out of date, silly, and too fond of Europe) to make a new Turkey out of the ruins of the old. They had lost their provinces in Europe—let them go : they had lost their Arabic provinces—let them go.

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They might lose an Armenian province in the north-east—let it go. They might lose Smyrna—let it go too. Their needs, in this new conception of their national future, were the body of Anatolia, from the Sea of Marmora through Cilicia, to Diarbekir, Erzeroum, Van, Azerbaijan, and even the Caspian. Some day they would cross the Caspian, and attract to their alliance the Turkomans of Turkestan, until all the Turk-speaking peoples to the borders of China were in their orbit. This was the logical Turanianism, the true figure of that which under Enver had been a distorted policy of suppression. Mustafa Kemal, a young, vain, clever, greedy soldier, made himself the leader of the new party, and speedily enrolled under his nominal guidance all the mass of Turks in Asia. His country is self-supporting, and he can sustain without danger the attacks of the Greek Army, and the blockade of the Allies, if he can open friendly relations with Russia on his eastern front. He first tried to approach Italy, and then France, and then England, but found the one insufficient, the other too interested, the third legitimist. He is now blocked from the Ægean by Greek armies, and has to choose between surrender to them and friendship with Russia. The latter will probably mean his own personal downfall, for family reasons : but his followers will not hesitate to sacrifice him, if necessary, for the good of their state. Union with Russia will postpone the dream of an autonomous Turkestan for a generation, and will lock up Turkey in Anatolia proper for so long. Without foreign colonies, foreign wars, and foreign garrisons, she should meanwhile register a large increase of population.

The fate of the Arabs is more difficult to prophesy than that of the Turks, for they are a people of far higher mentality, subtle intellects capable of a depth of thinking, practical intellects capable of a degree of production, inflammable intellects capable of a deal of destruction. They lack system, endurance, organisation. They are incurably slaves of the idea, men of spasms, instable like

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water, but with something of its penetrating and flood-like character. They have been a government twenty times since the dawn of history, and as often after achievement they have grown tired, and let it fall : but there is no record of any force except success capable of breaking them. The history of their waves of feeling is significant in that the reservoir of all ideas, the birth of all prophecies are shown in the deserts. These empty spaces irresistibly drive their inhabitants to a belief in the oneness and omnipotence of God, by the very contrast of the barrenness of nature, the lack of every distraction and superfluity in life. Arab movements begin in the desert, and usually travel up the shortest way into Syria—for it is remarkable that whereas all prophets go to the desert, yet none of them are ever desert-born. It is the Semitic townsman or villager who receives the revelation. For this reason, for what seemed to be the immemorial finger-sign of history, this present Arab movement, the craving for national independence and self-government, was started in the desert. It, too, took the traditional road to Damascus, the traditional first centre of new movements, and with the successful establishment of Feisal there the second phase was finished. This is not, however, the proper end of the Arab movement : the weight and importance of the Semitic states have always lain in Bagdad, for very sound reasons of economics and population. Syria is a poor country, small and mountainous, dry, lacking in minerals and in arable land. There is no probability that her native population will ever be very dense. Mesopotamia has big rivers, and a huge area of irrigable land. Her wealth in grain and cotton will be very great, and nature may have bestowed on her abundance of cheap fuel. Should that be the case, she will inevitably take the headship of the Arab world in the future, as so often in the past. Damascus may hold an interim pre-eminence : Bagdad must be the ultimate regent, with perhaps five times the population of Syria, and many times its wealth. Mesopotamia will be the master of the Middle

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East, and the power controlling its destinies will dominate all its neighbours.

The question of a unity of the Arabic peoples in Asia is yet clouded. In the past it has never been a successful experiment, and the least reflection will show that there are large areas, especially of Arabia, which it would be unprofitable ever to administer. The deserts will probably remain, in the future as in the past, the preserves of inarticulate philosophers. The cultivated districts, Mesopotamia and Syria, have, however, language, race, and interests in common. Till to-day they have always been too vast to form a single country : they are divided, except for a narrow gangway in the north, by an irredeemable waste of flint and gravel : but petrol makes light of deserts, and space is shrinking to-day, when we travel one hundred miles an hour instead of five. The effect of roads, railways, air-ways and telegraph will be to draw these two provinces together, and teach them how like they are : and the needs of Mesopotamian trade will fix attention on the Mediterranean ports. The Arabs are a Mediterranean people, whom no force of circumstances will constrain to the Indian Ocean : further, when Mesopotamia has done her duty by the rivers, there will remain no part for water transport in her life—and the way by rail from Mosul or Bagdad to Alexandretta or Tripoli is more advantageous than the way to Basra. It may well be that Arab unity will come of an overwhelming conviction of the Mesopotamians that their national prosperity demands it.

The future of Persia is also clouded. In the days before the war she was judged for division between Great Britain and Russia. During the war she suffered occasional invasion from Turkey, and was the bed wherein German and British propagandist missions hunted one another. The Russian revolution delivered her from both these pains : England was left the only power capable or inclined to help her out of her bankruptcy and disorder on to the path of decent self-government. Unfortunately the states-

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men of the two countries took rather a crude view of the situation, and concluded an agreement open to unfavourable interpretations, not only in the world outside (quite ready to take us at our worst), but in Persia itself. Consequently the advanced elements in Persia deserted us, and began to look across their northern frontier for Russian help. This was forthcoming in minute doses, and they, who included most of the militant spirits in Persia, took active measures against us. Our withdrawal gave them the prestige of a victory, and it seems possible that Persia will either be united under a national and unfriendly administration, or dismembered as before the war, and fought over by Russian and British partisans, nominally Persian subjects.

Egypt, another independent member of the group of new states that the war has sketched in the Middle East, has consolidated herself under pressure of the war and the riots since into the fair semblance of a single people. Her nationalists, who are in reality all the people of Egypt after their degree, have lost their former distinction of Moslem and Christian, and now find a common basis in their geographical situation and their daily speech. They have emancipated themselves from the clerical influence of the Azhar, the old-style Moslem University of Cairo, the former stronghold of pro-Turk or anti-British sentiment. The new nationalists envisage an attack upon this hoary institution, to bring its character and curriculum more into the trend of the present need of Egypt. In questions regarding the position of women and public education they are as advanced as the nationalists of Turkey. Politically their horizon is still very narrow, hardly leaving the banks of the Nile : but there is little doubt that the pressure of surplus population and excess of wealth will soon lead their eyes into larger enterprises, and then the North African question, at present easy to handle in sharply opposed compartments, will become a burning one. Egypt is so much the strongest component of this new North

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Africa that its government will be able to play in it something of the decisive rôle which the future Mesopotamian government will play in the Arab confederation.

Two new elements of some interest have just set foot in Asia, coming rather as adventurers by sea—the Greeks in Smyrna, and the Jews in Palestine. Of the two efforts the Greek is frankly an armed occupation—a desire to hold a tit-bit of Asiatic Turkey, for reasons of trade and population, and from it to influence affairs in the interior. It appears to have no constructive possibilities so far as the New Asia is concerned. The Jewish experiment is in another class. It is a conscious effort, on the part of the least European people in Europe, to make head against the drift of the ages, and return once more to the Orient from which they came. The colonists will take back with them to the land which they occupied for some centuries before the Christian era samples of all the knowledge and technique of Europe. They propose to settle down amongst the existing Arabic-speaking population of the country, a people of kindred origin, but far different social condition. They hope to adjust their mode of life to the climate of Palestine, and by the exercise of their skill and capital to make it as highly organised as a European state. The success of their scheme will involve inevitably the raising of the present Arab population to their own material level, only a little after themselves in point of time, and the consequences might be of the highest importance for the future of the Arab world. It might well prove a source of technical supply rendering them independent of industrial Europe, and in that case the new confederation might become a formidable element of world power. However, such a contingency will not be for the first or even for the second generation, but it must be borne in mind in any laying out of foundations of empire in Western Asia. These to a very large extent must stand or fall by the course of the Zionist effort, and by the course of events in Russia.

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It is curious how with each modification of the condition of Russia her potential influence has steadily increased in South-Western Asia. Since the Czarist days Russia has been sole arbiter of Northern Asia, from the Black Sea to the China Sea, and so large a proportion of her bulk lies in Asia that there is real reason for considering her revolution an Asiatic phenomenon. It has at least a very strong Asiatic importance, and may well yet do for Asia what the kindred revolution in France did for Europe, after a parallel cycle of some sixty years. It is not that the doctrines of Lenin find a ready echo in the minds of the peasantry of Asia—they have not found their warmest adherents in the peasantry of Russia: but the Bolshevik success has been a potent example to the East of the overthrow of an ancient government, depending on a kind of divine right, and weighing on Asia with all the force of an immense military establishment. Its fall has not affected the division of Asia, north to Russia and south to England: it has changed the Russian area from an area of effective domination to an area of influence, a base of preaching or action for the advanced members of every society. Further, it will provide a frontier permanently open, and an unlimited source of armament. In the old days the Russian Imperial Government kept their southern frontier along the hill-crests of central Asia strictly to themselves, and thus there was little coming or going between our half and theirs. This is now changed, and the progressive part of Asia has become the North and not the South. Upon the action, not of the Russian Government, but of private individuals sharing the anti-imperialist views of the Russian State, and willing to work as private individuals to spread their beliefs in Southern Asia, depends much of the future of Persia, of Anatolia, and to a lesser degree of Syria and Mesopotamia. The two temporary republics of Armenia and Georgia may be said to be Russian in a more direct fashion.

This new condition, of a conscious and logical political

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nationalism, now the dominant factor of every indigenous movement in Western Asia, is too universal to be extinguished, too widespread to be temporary. We must prepare ourselves for its continuance, and for a continuance of the unrest produced by it in every contested district, until such time as it has succeeded and passed into a more advanced phase. It is so radical a change in the former complexion of Western Asia as to demand from us a revision of the principles of our policy in the Middle East, and an effort to adjust ourselves, that the advantage of its constructive elements may be on our side.

This new Imperialism is not just withdrawal and neglect on our part. It involves an active side of imposing responsibility on the local peoples. It is what they clamour for, but an unpopular gift when given. We have to demand from them provision for their own defence. This is the first stage towards self-respect in peoples. They must find their own troops to replace our armies of occupation which we are going to withdraw. For this they must be armed, and must learn by having arms not to misuse them. We can only teach them how by forcing them to try, while we stand by and give advice. This is not for us less honourable than administration: indeed, it is more exacting, for it is simple to give orders, but difficult to persuade another to take advice, and it is the more difficult which is most pleasant doing. We have to be prepared to see them doing things by methods quite unlike our own, and less well: but on principle it is better that they half-do it than that we do it perfectly for them. In pursuing such courses we will find our best helpers not in our former most obedient subjects, but among those now most active in agitating against us, for it will be the intellectual leaders of the people who will serve the purpose, and these are not the philosophers nor the rich, but the demagogues and the politicians. It seems a curious class to which to entrust the carefully begun edifices of our colonial governments—but in essence it will not be dissimilar to the members of

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our own House of Commons, whom we entrust with our own liberties. They will not wish to take charge, but we can force their hand by preparing to go. We do not risk losing them to another power—for the Englishman is liked by everyone who has not too much to do with him, and the British Empire is so much the largest concern in the world that it offers unrivalled inducements to small peoples to join it. Egypt, Persia and Mesopotamia, if assured of eventual dominion status, and present internal autonomy, would be delighted to affiliate with us, and would then cost us no more in men and money than Canada or Australia. The alternative is to hold on to them with ever-lessening force, till the anarchy is too expensive, and we let go.

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EVERY four years the body politic of the United States is racked by a disease regular in its appearance, unmistakable in its symptoms, and orthodox in its course. It is election fever. During the run of this malady the patient is violent and sullen by turns: he becomes abnormally self-centred and sensitive, and exhibits inconsistencies in conduct which are surprising to the lay observer but quite familiar to students of political pathology. Those who are intelligently concerned about the well-being of the United States know that a crisis will occur on the second day of November, 1920, and that the patient will recover. Simple souls have sometimes wondered whether the emetic of a general election or the quick surgery of a revolution might not work a cleaner and more conclusive cure. They do not understand that this ailment is constitutional in character, and must exhaust itself at chronic intervals, as stipulated for by the Fathers. What the nation and the world may suffer through the regular appearance of this congenital indisposition is beside the point.

At the present moment the patient is resting easily. The curtain has descended upon the two major Conventions, and harmony has apparently been preserved in both parties despite internal differences which more than once threatened disruption. The "bosses" are recovering from nightmare days spent in Chicago and San Francisco, in keeping the gear boxes of the "machines" well oiled and in guarding them from the flying sand of insurgency

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The rest of the delegates, whether Republican or Democratic, are making valiant efforts to put out of mind the memory of long, dusty train journeys, exorbitant hotel bills, hot and humid halls, crowds of men with wilted collars and women with moist straggling hair, and organised cheering for three quarters of an hour through throats sealed to liquor by law. And the country at large, stimulated by preconvention oratory to the conviction that the nation needed another Lincoln to lead it through the mazes of reconstruction, is slowly adjusting itself to the staggering fact that the next President of the United States must be either Warren Gamaliel Harding or James Middleton Cox.

I

ONLY last spring it seemed that the magnitude of the issues involved—if only the single issue of the League of Nations—and the difficult internal and external problems bequeathed by the war must compel each party to put forward a Presidential candidate of tallest stature. This thought was not the offspring of a pious wish on the part of a few idealists: it was the opinion of the country. In accordance with this belief great groups came together to express their various personal loyalties—some to march in the disciplined ranks of Leonard Wood, some to follow the breathless cavalcade of Hiram Johnson, others to sweep Hoover's tremendous but reluctant person into authority on the wave of their spontaneity and devotion. Still others, who believed that the nation needed respite from "strong government" as exemplified by Roosevelt and Wilson, felt that a happy compromise between executive and legislative control might be struck by the nomination of Governor Lowden of Illinois, a man of unquestioned ability with a good record of administrative achievement. These four were the choice of the majority of Republican voters. The *Literary Digest's* straw ballot, conducted during

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the primary campaign on a scale never before attempted, showed neither enthusiasm for nor interest in Harding, Knox, Sproul, or any other supposed favourite of the Old Guard. Yet, nine weeks before the delegates reached Chicago, Harding's campaign manager, Harry M. Daugherty, made the following fair prophecy: "At the proper time after the Republican Convention meets some fifteen men, bleary-eyed with loss of sleep, and perspiring profusely with the excessive heat, will sit down in seclusion around a big table. I will be with them and will present the name of Senator Harding to them, and before we get through they will put him over." They did. Daugherty himself was not among the nine men who met in the Blackstone Hotel on the evening of June 11 and agreed, after four hours' discussion, upon a candidate whom they could induce the Convention to accept. Daugherty was defeated as a delegate when his chief almost lost the primaries in his home State—Ohio. Nevertheless his prediction was essentially correct.

One may choose between two interpretations of this Friday night conference. It was Harding, says one, "who after all lay in the logic of the situation." Johnson never represented the opinion of the party. A man to be feared, but never a man to nominate. Too unsafe. The lavish campaign expenditures of General Wood's supporters made him an impossible candidate in the eyes of the people. Governor Lowden's personal wealth, together with the unfortunate discovery that two votes on the Convention floor had been bought for him at a price, rendered him equally ineligible. Hoover was hopeless from the outset. His inability to increase his original five votes at any stage of the balloting merely afforded conclusive proof of his suspected political weakness. So by a process of honest and studious elimination, the nine conferees approached the name of Senator Harding. He was from Ohio, the home of every Republican President since the Civil War. He was free from the taint of money and corruption. He had a host of friends and a personal record which could not

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be impeached. His name was not conspicuously associated with any controversial issue. He had consideration for the business interests of the country: yet he had never antagonised Labour. He was safe and sane. He would distil harmony. These incontrovertible facts having been pointed out to the delegates on Saturday morning, they at once saw the logic of the situation.

The second interpretation is certainly more melodramatic and perhaps no nearer truth than the first. It envisages an epic struggle between the forces of light and darkness, in which Senator Lodge and his little Blackstone group defeated the purpose and aspirations of the Republican voters. It suggests a conspiracy on the part of the Old Guard to destroy the power of the Presidency and strengthen the hands of the Senate. As a proof of this plot it alleges that a Senatorial junta, long before Convention time, surveyed the leading candidates for the Republican nomination and found them unsuited to their purposes. They found that Johnson, Wood, and Hoover had dangerous wills of their own; that they failed to observe the appropriate courtesies of party conduct; and that the election of any one of them might spell another four years of senatorial subserviency. Lowden was more to their liking; but if it were a question of staking victory upon a comparatively unknown man like Lowden, why should they not name Harding, who was an equally prominent figure, and a man whom they could completely trust?

Hoover presented the first and perhaps the most difficult problem. In order to forestall the charge of happy hindsight, those who hold to the "melodramatic" theory quote an interesting estimate of Hoover's political position written under date of February 2:—

If he should be nominated on the Republican ticket, his election would be certain. However, if he should declare to-day that he is a Republican, the Old Guard would dance with delight. For the Old Guard does not want him for a minute: he might not distribute offices to their satisfaction. But his declaration that he is a Repub-

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lican would thus remove the possibility of his nomination as a Democrat (the only thing the Old Guard fears), and leave the machine free to nominate the man of their choice, perfectly secure in the knowledge that Hoover had thus debarred himself from running as a Democrat.

If, however, Hoover might be induced to "sew himself up" in the Republican party, and launch a few attacks at the weak points of the Administration, all would be safe! As a matter of fact, Hoover did put on the uniform of the Republican party down to the last button, issued successive attacks against the Administration, and, in short, did almost everything that the stoutest yeoman of the Old Guard could have desired; but whether he took this course of action in accordance with his independent judgment or after ingenious indirect persuasion may never be known. At all events, he never thereafter had a measurable chance of carrying either Chicago or San Francisco.

A second fear was that Hiram Johnson might "bolt" and lead a third party movement in case the nomination should go to some candidate other than himself. Those in the "conspiracy" therefore thought it important to secure an advance statement from Johnson that he would not quit the Republican ranks, whatever the outcome of the Convention. To this end the Old Guard reiterated the need of harmony within the party, issued reminders of the fact that the election of 1912 had been lost by internal dissensions, and truly stated that the body of Republican voters were thoroughly alarmed lest this unfortunate situation should arise again. As a matter of fact, Johnson did issue the hoped-for statement, pledging himself to stand by the decision of the party at Chicago, and further delivered himself over to the Old Guard on the Convention floor by announcing that the League of Nations plank in the Republican platform met with his approval. Inasmuch as he had made the League issue his sole point of contest, the *raison d'être* of a third party led by Hiram Johnson thereby disappeared.

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Leonard Wood came to Chicago unencumbered by any commitments, but seriously handicapped by a clean sporting nature which would compel him to accept defeat, however administered, with an air of good grace. From the outset the Convention resolved itself into a contest between the solid phalanx of Wood forces and the so-called Lowden supporters, many of whom were devoted followers of the Governor of Illinois, others of whom were probably persuaded to vote for Lowden in order to establish a deadlock. Such a deadlock occurred on successive ballots with really surprising regularity and with such a meagre chance of breaking that the nine "conspirators" agreed that the appointed time had come to fix upon a candidate whom they could "persuade the Convention to accept." And the lot of Warren Gamaliel Harding leapt forth! It must be remembered that Harding had been the choice of the Old Guard since winter days. Whether he was nominated by diabolical intrigue or because of the "logic of the situation" is frankly impossible to say. However, it may be confidently asserted that nine men were happy to discover that the logic of the situation completely coincided with their hearts' desire and that a favourable moment had come to press Senator Harding's name upon a confused and perspiring congregation. He won with an avalanche of votes.

II

HARMONY had been the "keynote" of the Convention, and to all outward appearances harmony had been preserved. Senator Harding announced that "he considered it was his first duty as leader of the party to consolidate all elements into a united front," and he gave himself over to the task. Wood, Lowden and Hoover sent prompt messages of personal congratulation to the victorious candidate, supplemented by promises of support during

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the campaign. "I am going to my home in California," said Hiram Johnson, "to sit on the front porch and look down the bay," but the ocean breezes softened the heart of "Hell-roaring Hi" and he finally gave Harding a blessing of sorts. But it was not easy for Wood's followers—old Progressives, many of them—to forget Harding's vitriolic attacks against their chief in 1912. For he had written of Theodore Roosevelt: "He has deserted and attempted to destroy the party which honoured him. He has convicted himself of insincerity, inconsistency, inconstancy, ingratitude and ungratefulness. He has shamed his past and discounted his future. He did all these things under the spur of his blinding egotism and his insatiable lust for power and for the notoriety which he mistakes for fame." Nor was it pleasant for Hiram Johnson to recall that the man who now requested his support had once described him as "an arrogant boss: vituperation his highest accomplishment." Perhaps there is no other course for defeated candidates to follow: but there is septic bitterness in the wounds. And a great number of voters, nominally Republican or independent, who had cherished high hopes of the Chicago Convention, stood frankly aloof. In case the Democratic party should present a Liberal platform and name a powerful candidate, they were prepared to forsake their first preference for a Republican administration and vote the Democratic ticket.

Proceeding from the unchallengeable principle that the Government of the United States in the year 1920 is one "of the politicians, by the politicians, for the politicians," the decisions of the Chicago Convention are not hard to comprehend. Choice lay between a striking manifestation of progressiveness with certain victory on the one hand and a programme of reaction with probable victory on the other. Chicago chose the latter alternative because the prospect was more attractive to the bosses. But from the standpoint of stark expediency, based upon the lowest and most selfish political interests, it is difficult to under-

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stand the platform which came out of San Francisco. The Republicans had left the West, the women and other large bodies of Liberal opinion completely unsatisfied. These votes the Democrats might have had for the asking : and, indeed, the keynote speech of Homer Cummings Democratic National Chairman, by its belligerent quality, its direct and unvarnished language, its daring denunciation of Republican conduct and its brave promise of Democratic performance, gave encouragement to expectant Liberals. But the bosses who ruled San Francisco preferred almost certain defeat to the alternative of a progressive platform. They, too, wanted harmony. As the Republicans had discovered factional differences which had to be obscured by a mist of words and by the nomination of a colourless master of concord, so the Democrats had a Bryan who demanded an unqualified endorsement of Prohibition and a Bourke Cockran who fought for its qualified enforcement, a Wilson who wanted the Treaty and the League approved and a Senator Reed who was Johnsonesque in his denunciation of them both. Embarrassed by such contentions, the delegates found obliging leaders in the persons of Messrs. Murphy, Brennan, and Taggart—the old familiar faces. These gentlemen pacified the Administration by a fairly generous endorsement of the Treaty and the League, coupled with so faint a defence of free speech and a free Press as to constitute approval of all that Attorney-General Palmer has done to destroy personal liberty. They silenced both Bryan and Cockran by ignoring the issue of Prohibition, and they nominated Cox. Not by intrigue nor by midnight agreement, but by the patient policy of watchful waiting. Cox seemed, to the trained eye, to be peculiarly eligible. He was Governor of Ohio, one of the most important doubtful States, and his nomination would offset that of his fellow Ohioan, Senator Harding. Furthermore, he had never been associated with the anathematised Wilson administration : indeed, he had supported the veteran Champ Clark, whom Wilson defeated in 1912 at the

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Baltimore Convention. Lastly, he was suspected of favouring some mild mitigation of the Prohibition sentence. Cox was always a strong contender—always a possibility to be reckoned with. Then, on the fortieth ballot, Palmer released the delegates who had been pledged to him. They promptly flocked to the standard of Cox's army in such numbers that on the forty-fourth ballot a decision was reached.

No doubt Cox was the best choice of a difficult lot. Palmer—a man devoid of personal attraction and handicapped by certain unpleasant rumours with regard to his abuse of the office of Attorney-General, both in the suppression of radicalism and in the laxity of prohibition enforcement—would have made a poor candidate. His “Wolf! Wolf!” no longer terrifies. Ambassador Davis came into the lists too late, and would have been too distant a figure to capture the imagination of the voter. McAdoo—a brilliant administrator—would have found it hard to kick against the pricking epithet of “Crown Prince.” Perhaps the Democratic party had no one who could contest the election with any show of success save Cox. But if ever an epigram was applicable, the Democratic platform was more than a crime, it was a blunder. Then was the moment for a sortie: but the old heads wagged No! and the golden opportunity was lost. Bewildered Liberals with an original Republican leaning wandered back to the sleeping tents of their party. Liberals with a Democratic tradition slipped back inconspicuously into the beleaguered city of the Bourbon bosses. They had hoped for a choice of issues at least, and choice of personalities. They got neither: and, with both Conventions over, the country was no better prepared to vote for a President than it was in January.

“‘I was thinking,’ Alice said very politely, ‘which is the best way out of the wood: it’s getting so dark. Would you tell me, please?’

“But the fat little men looked at each other and grinned.”

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III

GOVERNOR COX was born on a farm in Ohio soon after the close of the Civil War. He received his early education in the public schools, assisting in farm work outside of hours. After teaching for a brief time, he learned the printer's trade and advanced through various stages of a pressman's progress until he became owner of a newspaper. This enterprise, backed for the most part by borrowed capital, was finally successful and supplied the foundation of his present comfortable fortune. He has been active in State and national politics, holding executive offices in Ohio and serving in the Legislature at Washington. In spite of a happy home life, unaffected by the memory of past divorce proceedings, he has become an enthusiastic golfer of average skill! . . . Having read this brief but instructive biography, one may profitably read it over again; for, without change of a single word, it is also the biography of Senator Harding. The coincidence is fairly astonishing, and so complete in every detail that it would take a most discerning voter to decide between the merits of these two candidates, as indicated by their private lives.

Nor is there anything in their record of legislative office upon which to base a preference. Statisticians have listed the Bills and resolutions for which these two Presidential candidates were responsible during their respective terms in the Senate and the House of Representatives. Cox's record for slightly less than four years in the House shows that he stood sponsor for 815 Bills of private and local interest and for only 14 Bills of a public character. During four and a half years in the Senate, Harding has managed to introduce 130 private measures and only 9 of a public nature. The name of neither candidate is associated with any legislation of national importance. To complete the

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parallel it has been further pointed out that whereas Harding lacks Cox's administrative experience gained as Governor of Ohio, Cox lacks Harding's knowledge of foreign affairs gained through his membership in the Senate during the past year ; that the foreign policy of the United States and the attitude of the Government toward labour are the two questions which most urgently concern the country ; and that each of the candidates is an expert in the one and totally unversed in the other. The parallel is specious ; for Governor Cox—by the establishment of a financial budget for the State of Ohio, by a remodelling of the school system of the State, by a thorough reform of Ohio's prisons, and by his firm but tolerant handling of strikes within his jurisdiction—has made a proud record of constructive achievement. Whereas Senator Harding has participated only in a minor capacity in the Senate Treaty debates, exhibiting always a disposition to be led by Senator Lodge rather than adopt a position of his own making. Cox's record as a Governor is striking : Harding's record as a Senator is empty.

There is not much help to be had from the platforms adopted at Chicago and San Francisco. They are both wordy and ambiguous : they are both deliberately evasive. Neither document makes reference to the Prohibition issue, both endorse woman suffrage, both congratulate the country upon the establishment of a formidable merchant marine, both deprecate unsettled labour conditions without holding out a remedy and deplore the high cost of living without suggesting a cure. The one is slightly more charitable toward Armenia, the other slightly less charitable toward Mexico. The Republican platform is silent on the Irish question, and the Democratic plank is meekness itself : " Within the limits of international comity and usage, this Convention repeats the several previous expressions of the sympathy of the Democratic party of the United States for the aspirations of Ireland for self-government." Except for a single phrase in which the

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Republican platform advocates a repeal of the Panama canal tolls now imposed on American shipping, there is no distinct issue drawn between the parties : and this issue, though important in its implications, will not govern the election.

Lastly, just as the Republican assembly reversed the logical priorities and nominated Governor Coolidge of Massachusetts as Vice-President—a powerful running mate for Harding, thanks to his conspicuous courage during the Boston police strike last autumn—so the Democrats, not to be out-manœuvred even in paradox, named Franklin Roosevelt as their Vice-Presidential candidate. To Roosevelt credit is given for the excellent record of the United States Navy during the war : it is popularly believed that, as Assistant Secretary of the Navy, he was the prop and mainstay of Josephus Daniels. Either of these two men alone would materially strengthen the ticket on which he was nominated ; but the bewildered citizen, confronted by the exceptional opportunity of deciding between two Vice-Presidential candidates of distinction, finds here little guidance in the solution of his problem as a voter. To choose between parties which have lost their once distinguishing characteristics, between candidates whose personal lives have run along parallel lines and whose public records are similar if not equal, between platforms which are alike in their emptiness, and between two potential Vice-Presidents of exceptional merit—this is no easy problem for a conscientious voter, even in a world made safe for democracy !

IV

THAT is why the country in mid-July is no better prepared for the November elections than it was in January. The signal gun has gone and the race is on : but both challenger and defender are becalmed in the

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doldrums. Even as between the two planks regarding the League of Nations issue, there is scarcely friction enough to create a breeze. Seen side by side, there is no necessary conflict between the views expressed in Chicago and San Francisco :—

REPUBLICAN

The Republican party stands for agreement among the nations to preserve the peace of the world. We believe that this can be done without the compromise of national independence, without depriving the people of the United States in advance of the right to determine for themselves what is just and fair, when the occasion arises, and without involving them as participants and not as peacemakers in a multitude of quarrels, the merits of which they are unable to judge. . . .

The covenant signed by the President at Paris failed signally to accomplish this purpose, and contained stipulations not only intolerable for an independent people, but certain to produce the injustice, hostility and controversy among nations which it proposed to prevent.

DEMOCRATIC

We commend the President for his courage and his high conception of good faith in steadfastly standing for the Covenant agreed to by all the Associated and Allied nations at war with Germany, and we condemn the Republican Senate for its refusal to ratify the Treaty merely because it was the product of Democratic statesmanship, thus interposing partisan envy and personal hatred in the way of the peace and renewed prosperity of the world.

We endorse the President's view of our international obligations and his firm stand against reservations designed to cut to pieces the vital provisions of the Versailles Treaty, and we commend the Democrats in Congress for voting against resolutions for separate peace which would disgrace the nation. We advocate the immediate ratification of the Treaty without reservations which would impair its essential integrity, but do not oppose the acceptance of any reservations making clearer or more specific the obligations of the United States to the League associates.

Each plank is framed to cover diametrically opposed opinions within each party. The Republican statement, drafted by

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Elihu Root, who is now acting under the direction of the Council of the League of Nations, was promptly pronounced satisfactory by Hiram Johnson, whose right arm is pledged to the League's destruction. Within five minutes after Johnson had acquiesced in its adoption, Hoover's campaign manager was assuring Senator Lodge that it was completely in line with Hoover's views: and William Howard Taft, ex-Presidential journalist, was syndicating his opinion that it augured a speedy ratification of the Treaty with the Lodge reservations. In a curious burst of frankness Senator Lodge, Chairman of the Convention, praised its phraseology: for, said he, "it is spacious, and everybody in this broad land can stand upon it; those who believe in an association of nations *as well as those who don't*." It must indeed be spacious to float the consciences of Root and Johnson and Hoover and Taft. The equally accommodating plank adopted by the Democrats is harmoniously straddled by the President, who has never defined the reservations which he would accept; by Cox, who has formulated two specific reservations which he is prepared to adopt; and by Senator Reed of Missouri, the Democratic renegade who followed Hiram Johnson's leadership in the Treaty fight.

It was doubtless part of the Republican plan that specific issues should not be raised, that the question of the League of Nations should not be laid before "a great and solemn referendum," as the President predicted. They would have preferred to win by mere force of inertia, by the normal numbers of the party, and by taking advantage of the popular discontent which always operates against a party in power. They would have wished to make the personality and practices of Woodrow Wilson their only title to supplant him. So Harding sent fine words of congratulation to Cox upon his nomination, but was gratuitously bitter in his denunciation of the President. Moreover, he consulted with Wood and Hoover, and gave the unspoken promise that he would make them members

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of his Cabinet—strong men who should shame the mediocrity of Wilson's appointments. In advancing his theory that the Senate should be restored to its rightful authority, he was uttering an indirect attack against Wilson's practice of personal government. By seeking advice on every hand, and by announcing that he would associate the Vice-President (who is also the presiding officer of the Senate) closely with himself in a consultative capacity, he gave the inference that he would not pursue the solitary path of his predecessor. However exalted Wilson's place in history may prove to be, he is to-day at the nadir of popular favour, and a campaign conducted solely on the issue of Woodrow Wilson—his life and works—would result in an overwhelming Republican victory.

Faced with the unpleasant possibility of such a contest, the leaders of the Democratic party have played a skilful hand. Still one of the most astute politicians in the country in spite of his illness, the President has seen the situation with clear eyes. "Every charge directed against me and my Administration," he said, a few days before the San Francisco Convention, "is obviously designed to becloud and negative the paramount issues confronting the people of America, to befog their sense of responsibility and make violation of the obligations they have assumed to be of small consequence." And those who keep the direction of Republican policy in their hands would have had it so. Therefore, for one reason or another, but perhaps with the deliberate intention of removing his own personality from the campaign, President Wilson let the San Francisco Convention rule itself. A platform was adopted which showed an instant readiness on the part of the Democrats to accept reservations. A candidate was named who was notoriously an anti-Wilson man within the party, and named by a group of five leaders, four of whom—Murphy, Nugent, Brennan and Marsh—have good ground for their personal bitterness toward the President. And when this quiet intra-party revolution was over, the

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President sent for Cox and Roosevelt, spent a morning in discussion with them, and stated publicly that he was happy to find himself in accord with their views. Do not mistake it, a solid consolidation is taking place within the Democratic ranks. Faced with the alternative of probable defeat, they are rapidly sinking personal and factional differences in a common cause. They are preparing, in these days before Cox joins issue with Harding's speech of acceptance, to attack the citadel of Republicanism with a united front. It is reported to be an impregnable fortress in the present year, but there are unmistakable indications that it will be stormed with unexpected vigour. Perhaps the candidate will redeem the opportunity rejected by the Convention.

And the League of Nations promises, after all, to provide the battle-ground. Both candidates are strong supporters of the Suffrage Amendment. They have both, since their nomination, urged upon Governors of reluctant States the duty of concluding this issue by ratification. The question of prohibition will afford no contest. Cox's reputed "wetness" is authoritatively challenged by his own statement on the subject :--

Prohibition is ordered by the constitutional provision and by Federal statute. The President of the United States takes oath to support both. It has never been my habit to violate my oath, and an officer who does not enforce the law is worse than the man who breaks it. We accept both the Constitution and the statutes as the will of the majority. I represent the Jeffersonian principle that the majority can do as it will regarding the prohibition question. They may leave it on the statute book or may repeal it, but as long as I am a public officer I shall accept what is as the will of the majority.

On the other hand, Harding's alleged "dryness" is to be discounted by his promise, made in the Senate, to advocate compensation for the liquor interests in case the then proposed Eighteenth Amendment should become law. They will differ little on an issue which is now formally

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closed. But on the question of the League they are wide apart ; and their personal views will constitute an authoritative interpretation of the ambiguous planks adopted by their respective parties. On May 28, prior to his nomination, Governor Cox expressed his views as follows :—

During the war everybody was for a League of Nations. Nobody was opposed to it. Everybody agreed that it was absolutely essential to stop for ever the useless slaughter of millions of men. Why, then, did the Republican Senators begin after the armistice to cast discredit upon the League ? It was nothing but partisan bigotry and a blind desire for political ammunition in the coming election. Of course, there are some conscientious objectors to the League ; some few men who are really opposed to it. But its organised opposition was a deep-laid and as carefully planned a conspiracy as was ever planned by Germany. I am not saying that the League is perfect. No human document is. As you already know, I have suggested two reservations myself, but there must be no reservation that will nullify the Treaty.

The reservations which he has suggested are as these :—

(1) In giving its assent to this Treaty the Senate has in mind the fact that the League of Nations which it embodied was for the sole purpose of maintaining peace and comity among the nations of the earth and preventing a recurrence of such destructive conflict as that through which the world has just passed. The co-operation of the United States with the League and its continuance as a member thereof will naturally depend upon the adherence of the League to that fundamental purpose.

(2) It will of course be understood that in carrying out the purpose of the League the Government of the United States must at all times act in strict harmony with the terms and intent of the United States Constitution, which cannot in any way be altered by the treaty-making power.

The acceptance speech of Senator Harding is public to-day (July 22), and would seem to indicate that the Republican Party, through its recognised interpreter, has met the issue squarely. It is indeed strange that, in an utterance for the most part vague and unconvincing, the attitude of the party should have been so clearly delineated on this one point. But the implication of these two

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phrases can hardly be mistaken : " I promise you formal and effective peace so quickly as a Republican Congress can pass its declaration for a Republican Executive to sign." And again : " With a Senate advising as the Constitution contemplates, I would hopefully approach the nations of Europe and of the earth, proposing that understanding which makes us a willing participant in the consecration of nations to a new relationship." If there be any faith in words, the Democratic party now stands for ratification of the Treaty of Peace and the Covenant of the League with two specific reservations. The Republican party is for a separate peace and a new League. They would make peace in the manner proposed by Senator Knox, and they would then attempt to create a new association of nations in accordance with the principles of the Republican party.

It is idle to predict November skies in mid-July ; but if this be issue joined, there is a cloud on the political horizon, no bigger than a man's hand at the moment, but pregnant with tempest. What ex-President Taft must think of this sudden barometrical development is not beside the point : nor what Elihu Root must feel, who drafted a plank which he thought reconcilable with his employment by the League. Nor what Senator Lodge must think after his many expressions favouring America's participation in this League with proper safeguards. Nor what Hoover must think after his high confidence that the platform would be interpreted in a manner favourable to the League. These men command large followings : their defection from the Republican ranks or even their evident disinterestedness in the campaign would cost the party countless votes. Hiram Johnson, sitting on his front porch and looking down the bay, must have been baptised anew with Republican zeal when the word reached his San Francisco home. But many another Republican is wondering where his duty lies, and what the outcome will be. Harmony was Harding's first law, and he has violated it in his first utterance. The Democratic party has been presented with a second great

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opportunity, and it lies in the power of Governor Cox to rekindle the dying embers of independent Liberal enthusiasm.

There is still another source of strength which Cox has not yet called upon. He is *persona grata* with Labour, thanks to his skilfulness in dealing with Ohio strikers during the period of his administration. At a time when other Executives were ordering out the State militia, Cox adopted the policy of permitting unrest to run its course. When his fellow-Governors were suppressing mass meetings and dispersing crowds with the threat of machine-guns, the Governor of Ohio stood firm for the constitutional privileges of free speech and public assembly. Strikers living in areas close to the Pennsylvania-Ohio border made it a practice to cross the line into Cox's State, hold meetings of protest, and disperse to their own homes in Pennsylvania. It has been wisely observed that Ohio troops were never called out because they were never needed. All these things Labour remembers, and will bear in mind as November draws near. If Cox can capture the independent Liberal vote by a strong pronouncement on the League, the powerful Labour vote by the simple assurance that he will deal with Labour from the White House as he has dealt with it from the State Capitol, if he can rekindle the spark of idealism among the millions of women voters, he will take ample advantage of the fundamental weakness of the Republican party. He has far to go for victory, but whether he wins or loses, the election campaign of 1920 will be one of the most bitterly waged contests in the history of the country.

America. July, 1920.

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NOTHING could be simpler than to paint the Austrian situation in exclusively sombre colours and to maintain that the country is irremediably doomed. The bases for such a judgment are not wanting either in number or in importance. Some eighteen months have now elapsed since the armistice, and it is no exaggeration to say that Austria to-day is financially, industrially and morally in a far worse plight than she was in at the cessation of hostilities. Her currency is depreciated to such a degree that it is virtually unrecognised abroad ; her industries are, with few exceptions, at a standstill ; the spirit of her population, never famous for superabundant energy, has been so broken down that it is often impossible to persuade an Austrian to work even in his own interest.

Upon no other Central European country, with the possible exception of Hungary, have the troublous months succeeding the armistice pressed so hardly as upon Austria. And even the exception of Hungary may well be questioned. For if Austria has not had to suffer from more than a modicum of the half-baked communistic theories of a Bela Kun, or to endure the organised pillage and looting of a horde of Roumanian bandits masquerading as soldiers, she has neither the same resiliency of character in her people nor the same fertility in her soil which may promise her a certain recovery within a not too distant future. Viennese *Gemütlichkeit* is not so marketable or serviceable a quality to-day as Magyar patriotism, and the Hungarian who has

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cereals for export is in a very different boat from the Austrian whose exports since the armistice have been largely under-ripe timber and over-ripe Archdukes.

How Austria came into her present deplorable condition can be summed up in comparatively few words. The elections of February, 1919, showed that there was a fatal balance of power in the country. The Social-Democrats swept Vienna, while the Christian-Socialists proved the stronger in the provinces. *Hinc illæ lacrymæ*. From this fundamental opposition between a "red" Vienna and a "black" countryside have sprung, and are still springing to-day, the bulk of Austrian woes. Just as the old Austria-Hungary found that the only way to avoid war with Italy was to become her ally, so the Social-Democrats and the Christian-Socialists decided that a coalition government was the only escape from an awkward and intolerable situation, for which neither party wished to assume an undivided responsibility. The results of this "coalition" which is no coalition, as the Greeks would have said, have been more unsatisfactory than is even usually the case. Here again, to a considerable extent, external facts were against the unhappy Austrians. Hardly had the National Constituent Assembly held its first meeting when Bolshevism broke out in Budapest and further inflamed party feeling. The supporters and emissaries of Bela Kun, strengthened by a very benevolent neutrality on the part of Austrian Social-Democratic Ministers, amused themselves for four and a half months in trying to persuade Vienna to take the plunge which Budapest had taken; while the Viennese population was simultaneously threatened with the curtailment of all supplies by the Entente if it acceded. It was further distracted by the counter-revolutionary plotting both of Austrian monarchists and of a clique of Magyar aristocratic refugees who, having ignominiously fled at the first outbreak of a danger which they might have warded off, conducted their puerile campaign for Kun's overthrow from the dining-room of the Hotel Sacher, where their

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secret plans were discussed from table to table across the restaurant at the tops of their voices. The fall of Bela Kun did little to soften these angry feelings. Kun's continued presence just outside Vienna has been a source of eternal quarrelling between the two parties, which also take violent sides on the question of the Horthy government, another very important, and not wholly party, factor being introduced in this case by the fact that the Austro-Hungarian press is almost entirely in the hands of the Jews and thus a ready receptacle for all the preposterous exaggerations about the "White Terror" which are laid at the door of the Catholic and National supporters of Admiral Horthy.

Apart, however, from these external considerations, the history of Austrian internal politics during the last twelve months and more has been lamentable. Both parties lowered the sword for a moment last summer to join in execrating the Treaty of Saint Germain, but with almost this single exception the whole course of events has been one long and unprofitable wrangle upon party lines. Although everybody is agreed that the condition of the country is thoroughly unsatisfactory, the responsible leaders have, except on very rare occasions, made no real attempt to appeal to the nation as a whole, but have preferred to play up to the prejudices of their own particular party. These petty tactics have succeeded only too well, and Austria to-day is a country where the provinces are actively hostile to the capital. Rather than help their Viennese compatriots, the peasants of Tirol, Styria and other provinces go out of their way to cause them unnecessary hardships. Provincial councils forbid the exports of foodstuffs to Vienna and create such difficulties about travelling that the jaded Viennese finds it almost impossible to take a summer holiday in his own country a few miles away from the capital. When the gendarmerie are told off to requisition some cattle they are met by armed peasants, who drive them away with the rifle and machine-guns. And so forth.

It is difficult to enumerate all the causes of this deep-

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seated mistrust of Vienna which animates the provinces to-day, but among the most salient reasons has been undoubtedly the Government food policy, and generally the ultra-socialistic trend of various proposals. The Government food policy has been no doubt the main factor in alienating the peasants, and is pre-eminently that question which is of most importance to the world at large. When the necessity for rationing the country became obvious, the Austrian, like the German, Government proceeded to adopt a policy of coercion. The producer was informed simply that his entire crop would be taken over by the Government at a fixed maximum price. This policy was, at first, successful up to a certain point because there was still a strong central authority which was able in the last resort to enforce its decrees by military force. But even so the system cannot be said to have been wholly satisfactory, since the producer found himself limited to a certain maximum income at a time when the cost of living was rapidly rising. The higher prices rose the greater was his grievance, and thus he was progressively robbed of any incentive to produce more than he actually required for his own needs. With the termination of the war and the collapse of the monarchy the inherent weaknesses of this system have made themselves still more acutely felt. So long as hostilities more or less shut off the country from the outside world the question of the exchange value of the Austrian crown was not of paramount importance. As soon, however, as prices in Austria were brought into direct relation with world prices the farmer's original disadvantage, whereby he was constantly being faced with an increase in the cost of living without obtaining a compensating increase in the maximum price paid to him for his produce by the Government, was further exaggerated by the rapid and continuous fall in the world value of the crown, which sank at such a rate that the clumsy machinery of government could no longer hope to keep pace with it in the regulation of prices. The consequence was that the farmer

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was practically prohibited from buying any imported articles, the cost of which naturally rose in relation to the depreciated value of the national currency.

The collapse of the central authority completed the downfall of the governmental food policy. The elections of 1919 had brought out the old-time antagonism between Vienna and the country, and the resultant government was far too weak to enforce its decrees in any of the provinces. Just as the Hungarian peasantry by their food blockade of Budapest were the real overthrowers of Bela Kun and his Jewish *mafia*, so the Austrian peasants and farmers were determined, now that the close of the war took away from them any lingering patriotic incentives, not to supply food at ridiculous prices to a city population whose socialistic views they feared and abhorred. The natural result was that producers have so far as possible concealed their stocks from the Government and disposed of these in "Schleichhandel" (*i.e.*, illicit trade at above legal prices) to consumers able and ready to pay a price which made it worth the while of the farmer to produce and enabled him to make a profit. This "Schleichhandel" trade, in conjunction with the supplies granted by the Entente which it supplemented, has really been one of the factors which have saved Vienna from famine. Bitterly disliked as it is by the Social-Democrats and economically unsound as it is at bottom, it has at least had the merit of keeping in cultivation much land that would otherwise have fallen into non-cultivation; and though it may be galling for a half-starving man to hear a bloated war-profiteer of Semitic origin gobbling down delicacies, his own stomach would probably not have been often better filled if the efforts of the Volkswehr to suppress "Schleichhandel" had been crowned with success. At the same time, the very success of his trading has naturally encouraged the farmer to develop this branch of industry to the utmost, and the result has been that out of the 1919 crop of cereals of the seven Austrian provinces the Government has only

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succeeded in obtaining about 110,000 tons for distribution, whereas even the meagre Government ration calls for about 600,000 tons a year.

This admittedly unsatisfactory situation has now been weakly accepted by the Government, which, officially condoning that defiance of its authority which it is afraid and unable to enforce, has now agreed to raise the price to be paid to producers for a quintal of wheat from 200 to 1,000 kronen—*i.e.*, by 400 per cent. This decision would have been thoroughly justifiable and reasonable if it were to have had the effect of placing at the disposal of the Government for distribution the entire cereal crop of Austria. Such, however, is not the case. While making this large concession to the farmers the Government has announced that it is only going to demand a total delivery of 100,000 tons of wheat, or approximately the amount obtained by it last year from home production. It has been calculated that the total crop should amount normally to some 600,000 tons, a figure which should certainly be reached this year when the prospects are very good, and that, when deductions have been made for the farmer's home consumption and use upon the land itself, some 250,000 tons, or even more, should be available for delivery to the Government. It follows, then, that the Government is deliberately making a further present of at least 150,000 tons to the farmers to be sold in "Schleichhandel" and that this available deficit in the Government ration will have to be made good by imports from abroad.

Nor is it by any means certain that the Government will actually succeed in obtaining even their 100,000 tons, for the Christian-Socialists and their allies have just passed a law whereby the farmer is free to dispose of all his surplus how and at what price he chooses as soon as ever he has delivered his individual quota. This law occasioned the resignation of the food controller, Dr. Löwenfeld Russ, who argued that this measure was tantamount to absolute decontrol, and that where swindling was obviously made so

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easy for the farmer he would not have the face to come to the Entente and beg for additional supplies.

The immediate sufferer, of course, will be the printing press of the Austro-Hungarian Bank, which will be called upon to turn out the additional uncovered currency requisite to meet the cost of this improvident policy. If the Austrian Section of the Reparation Commission were to insist upon a thorough commandeering at a fair market price of the total Austrian cereal output for equitable distribution to the population, they would be taking a step which would go some way towards solving the problem. At the time of writing, however, the Commission is but a new arrival and hardly in the saddle, and has not yet attempted to exercise any of those very far-reaching powers with which it is endowed. Even such a firm step as this, however, would not completely solve the difficulty. It must not be forgotten that Austria is incapable of feeding her population for the entire year, least of all at the present moment, when the farmers are hampered by lack of machinery, fertilisers, cattle-food, etc., and have to struggle with desperately bad railway communications. If the last ton were extracted from the producer Austria cannot do more than live upon her own cereals for about six or seven months in the year. When the harvest is bad she will not be self-sufficing even for six months—unless, as the most recent census figures seem to indicate, there is a considerable diminution in her urban population. The argument, therefore, of those who advocate a complete immediate decontrol is in existing circumstances untenable. The removal of control and the placing of essential food-stuffs upon the open market without a subsidy might, it is true, cheapen such products as are to-day obtainable wholly or in large part through "Schleichhandel"; but such a course would rob the poor, whose very existence is dependent upon a subsidised ration, of their last hope of making two ends meet. It is, in fact, very likely that the removal of control would simply result in destroying the

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flourishing industry of "Schleichhandel," which employs very large numbers of people, and in putting their profit into the bulging pockets of a few large firms without any very appreciable advantage to the country as a whole. As already indicated above, the real remedy is to encourage home production to the utmost, and, by substituting for a maximum price a minimum price fixed in accordance with the world price and guaranteed over a reasonable period of years, to spur the farmer on to deal openly with the Government rather than indirectly by "Schleichhandel" with the public. Such a policy can alone be truly economic. Each *krone* so spent by the Government on home produce saves a corresponding import from a foreign country with all the uncertainty due to the shortage of world shipping, the still disturbed condition of the countries through the ports of which Austria is now importing, and the heavy cost of freights. Much of this unnecessary cost and uncertainty could be saved if Austria could only import her yearly deficit from the neighbouring States which formerly constituted the old Dual Monarchy. But before this can really be brought about Austria must set her financial house in order and must receive large and long-term credits for raw materials in order to enable her to restart her many important industries. When this has been done she will be in a position to buy food with her manufactures, and it will be soon enough then to discuss the putting of all her home-grown foodstuffs upon the open market.

Among the general measures which have further provoked the hostility of the provinces may be mentioned : (a) the new Army Law ; (b) the proposed new constitution ; and (c) the levy on capital, though this brief list does not pretend to be exhaustive.

(a) The original formation of the Volkswehr by Dr. Deutsch, Minister for War, was a distinctly creditable piece of organisation, and undoubtedly saved Austria, and especially Vienna, from many disorders in the days immediately succeeding the break-up of the Dual Monarchy.

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But unfortunately Dr. Deutsch and his comrades could not resist the temptation to turn what should have been a national into a purely party machine, and in their fear of including any of the old royalist elements in the force they succeeded only in creating an armed body which was filled with ideas about the rule of the proletariat and which for several months contained at least one—the 41st—avowedly communist battalion. The strength of this body, which had really no military value, was gradually reduced at the bidding of the Entente. A number of the more undesirable elements were weeded out, and it was hoped that when the new Army Bill was introduced it might be found possible to give the new force a more national character. Unfortunately, this hope has been only very imperfectly realised. From the outset the Bill was made a keen party question, and when, finally, it was passed into law the decisive vote was hurried through the House in such indecent haste that hardly any speakers had the opportunity to express their views.

The new army is disliked by the Christian-Socialists almost as much as the original Volkswehr, of which it contains a considerable proportion. The pay and terms of service were not sufficiently good to attract the peasants in large numbers, and the consequence is that the new recruits are also mainly drawn from the urban elements. Above all, the Christian-Socialists object to the system of Soldiers' Councils, which, they maintain, are utterly subversive of all true discipline and reduce the position of the officers to a farce. It was, it will be remembered, a departmental decree issued by Dr. Deutsch, without consultation with other members of the Cabinet, and making in effect the Vertrauensmänner on these councils immune from obedience to their officers, that provoked the recent Government crisis in Austria. The crisis has at last been tided over by a solution which pleases nobody but may serve its turn until the new elections have been held in October. The basic cause of dispute, however, remains

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unchanged, and Dr. Deutsch continues to remain as War Minister. What will be the ultimate outcome of this quarrel it is as yet too soon to predict. There are considerable sections of the population who regard the new army as a futility and waste of money, and would prefer to see the whole force disbanded and replaced by a strengthened and enlarged gendarmerie. One must also take into account the local and powerful organisations formed in the provinces by the peasants. These forces are not altogether without reason regarded by the Social-Democrats as hotbeds of reaction, and one cannot exactly envy the task of the Inter-Allied Military Mission of Control when the question of general disarmament becomes one of practical politics. Entente officers may succeed in devising a peaceful solution of this difficult problem, but if, on the other hand, the view of such men as Dr. Renner, formerly State Chancellor, prevails—namely, that an armed force can only be disarmed by force, and that the Volkswehr must be marched through the provinces and take the arms away from the peasants—it is hard to believe that in the present state of the country this course would not lead, if not to open civil war, at least to numerous bloody encounters.

(b) The dispute about the form of the new constitution has gone, and may really be said to be still going, hand in hand with (c), the levy on capital. The Social-Democrats, led by Dr. Otto Bauer, formerly Foreign Minister, and the best brain in Austrian politics to-day, demanded the immediate passage of this latter Bill, while the Christian-Socialists declared, and gained Dr. Renner's assent thereto, that the two measures should be passed together. The reason for this demand is obvious. The Christian-Socialists, many of whom are at heart opposed to the Bill altogether, hope to gain considerably increased influence under the new constitution, and they wished, therefore, to defer the passing of the Capital Levy Bill until they should be in a stronger position to control the method of expending the sums so raised. Contrary, however, to general expectation, the

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Capital Levy Bill was passed into law in the closing days of the session, and the Social-Democrats are entitled to their success. But it has been distinctly a Pyrrhic victory, for the Christian-Socialists and Pan-Germans very sensibly softened down many of Dr. Bauer's most drastic proposals, and Social-Democrats complain that in this way nearly one-third of the sum which they had hoped to extort from capitalists will be lost to the State. As it is, however, the measure is sufficiently severe, and it remains to be seen whether the Government will succeed in raising the money. Meantime the latest intention is also to pass in a short autumn session as a "framework law" the agreed underlying principles of the new Constitutional Bill. Such a decision does not carry us very far, and means in effect that the parties are going to see what the elections bring forth before any really vital step is taken.

At the first blush, then, the views of the pessimists would seem to be only too well justified. But every obverse has its reverse, and we must inquire wherein, if anywhere, lie the possible remedies for this disastrous and pitiful condition of affairs. A large proportion of the population to-day would put the union with Germany in the forefront. It is remarkable to what an extent this notion has gained ground during the last twelve months. A year or so ago this policy by no means met with universal acceptance. It was, of course, favoured by the Pan-German elements and was vigorously supported by the Social-Democrats, who were still distinctly nervous about their position, and who hoped that the "Anschluss" would strengthen their power by giving them all the added weight of German Social Democracy. On the other hand, the Hapsburg party naturally saw in the union the knell of their hopes of a restoration; the ultra-clericals strongly disliked too close an association with Protestant Germany, and many of the Christian-Socialists, who represented the small trader and manufacturer and favoured rather a sort of guild system, foresaw danger to their ideas and interest

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if Austria were to be linked up with the modern industrial and economic system of their powerful neighbour. The peace of Saint Germain and dislike of the "red" Vienna did much to break down this opposition, and one of the most noticeable political movements of recent months has been the agitation of the different provinces to "hive off" from Vienna and attach themselves to more happy countries. The great barrier in the way of these aspirations has been the Treaties of Versailles and Saint Germain, and so long as these treaties are enforced rigidly this barrier will remain.

It would, of course, be possible to put a stop temporarily to the "Anschluss" agitation by simply invoking these treaties, and, in the case of recalcitrancy, by employing economic pressure and the blockade either at Vienna or Berlin. Such a policy, however, seems calculated in the long run rather to encourage than thwart the strivings towards union. A peaceful alternative is put forward in an admirable article by Professor Marcel Dunan which appeared in the *Revue de Paris* on May 15th of this year. M. Dunan, whose position at the French Legation in Vienna makes it tolerably certain that he is well acquainted with the official views of his country, supports the argument that :

La première condition de l'existence durable de l'Autriche indépendante serait donc une action de l'Entente auprès des Etats nationaux, ses Alliés, en vue de mettre fin à l'isolement artificiel dont elle est la victime et de rétablir entre elle et eux la liberté commerciale la plus complète possible. Cette condition remplie, la reconstitution de la vie économique autrichienne serait possible moyennant la satisfaction des trois besoins fondamentaux qui la dominent : 1°, le charbon ; 2°, les crédits extérieurs ; 3°, l'ordre intérieur. La solution de ces trois questions qui s'impliquent et se pénètrent étroitement ne peut qu'être simultanée.

With the general conclusions of M. Dunan the writer is in absolute accord, but it seems to him that he is rather putting the cart before the horse. If there are objections

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to coercing the Germans and Austrians into the abandonment of their Pan-German programme, so also must there be objections *a fortiori* to coercing the Succession States who are our allies into trading with Austria. If such a trade is to be revived it can only be done on the basis of mutual interest, and the first step of all must be the reorganisation and stabilisation of Austrian finance. Uncertainty is fatal to commerce. Various proposals for the stabilisation of the Austrian currency have been put forward during the last year, but the most practical which has yet come to the notice of the writer is that of Sir Ernest Harvey, K.B.E., whose position *vis-à-vis* the Austrian Section of the Reparations Commission is a guarantee that it, or something very similar, will ultimately be adopted. Sir Ernest's scheme is briefly to establish a Note Issuing Bank which is to operate a charter free of all Austrian taxes with the right to issue the only notes that shall be legal tender. The Bank takes over the liability for the existing note circulation of about 16 milliard kronen and also takes over from the assets of the Austro-Hungarian Bank a corresponding 16 milliards of Austrian Government debt. The existing currency will then be exchanged krone for krone into new notes. The Note Issuing Bank will redeem all notes issued by it at the rate of, say, 200 kronen to the dollar by cheque on New York. (This rate was, of course, adopted by Sir Ernest in accordance with the market values at the time of elaborating his scheme and is subject to revision, but the actual figures do not affect the principle of his proposal.) The Note Issuing Bank will issue notes at the rate of 200 kronen to the dollar against deposit of dollars with its agent in New York or against corresponding moneys with its agents in other important cities. This, of course, is not the place to go into all the technical details of this scheme, which, it will be seen, puts in effect dollars in Vienna, and converts the Austrian krone into a dollar currency. The obvious objection to this proposal from the Austrian standpoint is that the dollar now stands so

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high that any movement on the market would probably be disadvantageous to Austria. If, however, when the actual rates were fixed it was found possible to give the krone a small premium upon the quotation then obtaining, this concession would doubtless satisfy Austrian banking opinion and would not really be unsound, since the success of this scheme would ensure an improvement of the exchange.

If, then, we assume that this or some similar scheme is adopted and receives the necessary financial backing, what results can we reasonably expect to accrue? Above all, the exchange risk will be definitely eliminated and Austrian currency will re-acquire an actual and real value. When once this position has been established everything else will follow in due time and as a matter of course, though it goes without saying that this desirable state of affairs can be to some extent accelerated or retarded by the commercial and financial policy of other countries—especially of the Succession States, with which the bulk of Austrian trade should normally be done. Whatever the political faults of the old Dual Monarchy may have been, it was, after all, a pretty satisfactory economic unity in which life flowed on the whole as easily and as cheaply as anywhere in Europe. Nearly every country has got something—Czecho-Slovakia coal and sugar, Hungary grain and wine, Jugo-Slavia grain and livestock, Roumania the mines of Transylvania; Poland, Galicia with its wheat, cattle, sugar and oil. None of these countries are, however, entirely self-supporting, and only Jugo-Slavia of them all can ever hope to be. All of them, however, with one accord, terrified at the possibility of a Hapsburg revival and anxious to reduce the circulation of worthless paper money within their frontiers, have adopted the same policy of rigidly closing their frontiers and prohibiting exports under the pretext of thereby reducing the cost of living. The criminal futility of these measures is gradually becoming more generally recognised. The chances of a Hapsburg revival cannot be

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taken too seriously into account to-day except in Hungary, where the restoration of the monarchy seems certain but where the Hapsburgs, if recalled at all, will be recalled less out of admiration and affection than as a *pis aller*, and with the very definite understanding that Budapest has no intention again of submitting itself to rule from Vienna. It is, then, only reasonable to suppose that as the angry passions engendered by the war die down, and when the first flush of ultra-Chauvinism and mediæval political economy shall have waned in the new States, there will be an increasing number of moderate men in all the countries of Central Europe who realise where their true interests lie.

If, then, this view is not unduly optimistic, we may expect the stabilisation of the Austrian currency to produce, among others, the following important results :

(i) In the first place the Vienna market would attract a steady flow of foodstuffs both from Austria itself and from the neighbouring States. The agricultural possibilities of Austria herself have already been touched upon above. As regards the surplus which requires to be imported the commonplace truth has been indicated that such foodstuffs should come from adjacent countries rather than by sea from another hemisphere. Very little pressure should be needed to bring this about. The "squalid bonds" of commerce and self-interest can never be overlooked, and as soon as the Austrian or Jugo-Slavian farmer finds that by selling to Vienna he can obtain at his front door a good currency in place of the almost worthless paper money which is now offered to him, he is not likely to be backward in exporting his surplus stocks.

(ii) What is true of foodstuffs applies also to coal. The old saying that Vienna is the principal Czech town has lost little of its essential truth, and there is no reason to suppose that the Czech coal-owner is likely to be more insensible to the charms of a good *valuta* than the wheat-grower of the Banat.

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(iii) Austria will be able to obtain raw materials through the pre-war system of credits, which will again be possible as soon as the risk of violent fluctuations in the exchange has been abolished.

An Austria with a real currency and with credits for raw materials whereby to set her industries upon their feet again ; an Austria, moreover, which, however much the fact may be skilfully disguised, is not going to be allowed by the Reparations Commission to play the fool any longer with her national wealth and resources under pain of losing virtually her remaining sovereign rights, is not a country absolutely without a future. And if there is a future for the Cinderella among the nations it is surely in the general European interest that this should be so, and that the Succession States, freed from the bugbear of a Hapsburg revival and old memories, should join together in an economic union, and, while preserving each its own independent political existence and individuality, should restore that trade unit which has been temporarily shattered but is still potentially existent and only awaiting a little mutual goodwill and forbearance, a little common sense and statesmanship, to be called again to a newer, freer and more prosperous life than ever.

Vienna. July, 1920.

THE CASE OF ITALY

I

THE British Commonwealth has such immense and widely scattered interests to defend that it requires, outside its own inborn strength, many props, securities and friendships. Without such it would not have survived the war ; without such it cannot survive the manifold dangers of the new era. It possesses too much of the earth not to have many enemies ; let it beware that it does not, through ignorance or indifference, alienate some who are naturally its friends.

For sixty years past one of the props of the British Empire has been the friendship of Italy. It has been a more constant factor than our good relations with any other great Power. Because it was so constant it has been little talked of, and because it was always to be counted on it was too little valued. It is now for the first time in danger of lapsing.

The good understanding between Italy and the British Commonwealth was not an artificial creation of diplomats ; nor has it depended on a fortuitous and fleeting identity of interests in some part of the world. It has been from first to last a natural outcome of public opinion in both countries, resting on permanent identity of maritime interests in the Mediterranean, on common political ideals, on cultural sympathy, and on the fact that Britain had been Italy's warmest and most disinterested friend during her struggle

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into unity and freedom. In the days of Russell, Palmerston and Gladstone, who did but express British public opinion, we bought Italy's friendship by the free gift of our sympathy and support.

Public opinion on both sides has always remained the basis of the relation. When Italian diplomatists, thinking to secure their country's position and the peace of Europe, entered into the Triple Alliance with Germany and Austria contrary to the sympathies and instincts of popular opinion, they put into their treaty with those Powers the remarkable provision that Italy was never to be required to go to war against Great Britain, for they knew that their people would never consent to do so. When the war came at last, the Italians were not, indeed, bound by their pact to take part in an offensive war on behalf of Germany and Austria, but still less were they bound to fight against them on our side. That they chose to do so, contrary to their previous system of alliances, and contrary to their existing economic interests and financial connections, was a much more remarkable fact than we have been ready to acknowledge. The Italians think that we are ungrateful, and they think so the more strongly because the decision to fight on our side was made by a spontaneous act of the people in the demonstrations of May, 1915, in all the cities of Italy, at a moment when the statesmen were divided and the politicians were inclining to neutrality.

So from first to last our friendship with Italy has been an affair of public opinion. But because Italian public opinion has till now been uniformly friendly to us, we have begun to count on it as a permanent asset, implying no reciprocal obligation. This error of judgment and of feeling is now leading to serious results. Italian opinion is bitterly exacerbated against us. The fact that even so it is less exacerbated against us than it is against the French and Americans may be a source of private consolation, but scarcely of public confidence. The Italians think that the French and Americans have treated them worse than we

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have, but they feel our attitude more acutely because they regarded us as their friends. The French have been too near them and the Americans too far ever to be regarded in that light.

It is not the case that our friends in Italy have been overborne by the propaganda of our enemies. The cause of our enemies and their propaganda went down in November, 1918. German influence has not begun to operate again in Italy yet on any scale, though it will do so in exact proportion as Germany recovers. It is while we have had the field to ourselves that Italian opinion has been alienated from us. And our best friends in Italy are among those most grieved and indignant at the attitude of our public opinion. These friends of ours are, in most cases, the moderate party on Adriatic questions. That d'Annunzio should be loudly hostile to the British Empire, and to all who do not applaud his extravagances, is perhaps not surprising; but that the *Corriere della Sera* and the Italian moderates should be alienated from us must certainly give us to think. All private correspondence and all personal contact with Italian friends of England confirms the impression left by a study of the Italian press, that the national feeling as a whole is embittered against us, though, of course, in very different degrees in different quarters. The same phenomenon is observable in an even more marked degree among the Italians in the United States. The Italian race all over the world is changing from friendship to hostility.

On the other hand, the position is far from irretrievable. It has been caused partly by ignorance and misunderstanding in Italy, partly by ignorance and thoughtlessness in England. It can be restored by intelligent sympathy and a friendly desire to make good. There is a vast amount of admiration of and goodwill towards the British Commonwealth in the minds of many Italians, even when they are very angry with us. But the first step towards improvement is for us to realise what the Italians feel.

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First comes their claim for *sympathy*. The Italians are aware that they made immense sacrifices for the common cause, and believe that if they had not done so we should have lost the war. They know that they entered the war on our side, not on a calculation of profit and loss, but on account of political affinities and moral sympathies. They think that an important part of our Press and public has striven to deny these obligations, has minimised Italy's war effort and overlooked her sacrifices, and worst of all, has ascribed her entry into the war to calculating self-interest. It would be easy to quote chapter and verse from British newspapers of the first rank, representing different parties in our State, to show that this complaint is not groundless. It is sometimes said that Italy entered the war "for what they could get," and because of the Treaty of London, though that treaty was a secret when the city populations forced the politicians into the war by the demonstrations of May, 1915.*

It is this sentimental grievance, the retrospective dishonouring by us of the Italian dead and the cause for which they died, which lends poignancy to the material grief of the present hour about coal, credit, debts, and frontiers. Those who think that the Italians are wholly indifferent to sentiment are quite as much mistaken as those who think that they are indifferent to their material interests. Those who would be their friends must take both sides of their nature into account. Kinder, more generous and more sympathetic feeling, writing and talking about Italy would win us half the battle for their affections—but only half.

How few people in the British Commonwealth even yet realise that the Italians lost half a million *dead*—having a total population of 35 millions, of which they mobilised

* Signor Salandra's talk about "sacro egoismo," and Baron Sonnino's old-world diplomatic attitude misrepresented gravely the popular idealism which made and maintained the war. No doubt this partly caused, but cannot wholly excuse, misunderstanding in England.

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five; that they kept 50 to 60 Austrian divisions on the Alpine front, which could otherwise have been launched on to the French front and have decided the European war; that from 1915-17, before a single British or French division came to Italy, they made attack after attack upon mountain positions the easiest of which was as difficult as Gallipoli. They had as much to endure both in the way of battle losses and of physical misery as our own men. It was only in 1918, after the British army had come out, that the Italian front became, as compared to Flanders, "a soft job," because then only, after Caporetto, the Italians desisted from attacking for awhile.

People talk much of our "saving" the Italians after Caporetto. We certainly gave them swift aid that produced an important moral effect in the country, and General Plumer was a tower of strength. But when people talk of our "saving" the Italians, do they always know that the Italians had fought the Austrians to a standstill on the Piave before the British in December could, with their best efforts, get up into the line at all? and that our army in Italy was not seriously engaged until the following June? When people complain that we had to send troops to Italy, do they know how much the Italians helped us on other fronts? Do they know that the Italians, besides their labour battalions in France, had fighting regiments who lost on the French front more killed than the French and English together lost in Italy? And do they know that there was an Italian contingent of more than 50,000 men fighting in Macedonia for the Serbs? The insulting ignorance shown in allied countries of the vital facts of the Italian war and the Italian war effort is one of the chief reasons of Italy's present isolation of spirit.

The Italians also think that we fail to realise their economic sacrifices. In 1914 their country, always poor, was just beginning to develop a real industrial prosperity in the north, thanks to the newly-discovered mechanical talent of her people, and by help of credit which she could

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obtain from German sources alone. She had no capital, no coal, and practically no minerals of her own.*

Her new prosperity was clearly dependent on two factors—peace, and continued friendship with a powerful Germany. Even in case of victory, to ruin Germany would be largely to ruin herself. How easy it would have been for her in 1915 to have played the game of Spain, Scandinavia, or Holland. Her material interests so dictated.

Italians complain, in short, that they have half ruined themselves in order that the cause of Western democracy should not be overwhelmed, and that now we refuse to make any sacrifice of our own wealth or interests in order to help their distress, and, worse still, often adopt a tone as if we were under no obligation to them at all.

II

IT is in this light that we must read their claims for *Economic help*, and their disappointment that we do so little for them. Some of these claims are, no doubt, based on a misunderstanding of what is economically possible, and some on a flattering but exaggerated view of the infinite riches and resources of the British Empire. And there we touch on the paradox of Anglo-Italian relations. The Italians are angry with us partly because they believe in us so much. They think "England can do anything," and so when England does nothing they attribute it to bad will. Similarly, in the moral sphere, they look to us for justice and sympathy rather than to the other allies, and if they find it not they are doubly disappointed. Nor are they wholly wrong in their view of us. After all,

* In spite of these disadvantages she worked up her war industries to such a height that she not only made her own and part of her allies' motor transport, but managed to replace from her own factories her artillery and ammunition after the Caporetto disaster.

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the British Commonwealth is far the greatest world-power, and during the temporary retirement of the United States it is on our broad shoulders that the weight of the world rests. We are greatly responsible for the present condition of the world, and one of our first responsibilities is to assist the economic revival of our friend and ally Italy so far as we are able.

It is in this light that we should examine the questions of the coal supply, the exchange, Italy's war debt to us, and her claims on the enemy indemnities. No doubt this view has been present in the mind of our Government to some extent, and the difficulties are greater than many Italians know. But they believe that Italy, being a poor country, has spent a much larger percentage of her wealth in the war than the British Commonwealth, and that she is therefore entitled to further consideration.

First, they think that we should cancel the debt they incurred to us in conducting the war for the common cause. To which we reply that we shall be glad to do so when the Americans, by a similar act of generosity towards us, will render such an arrangement economically possible. It is difficult to make Italians believe that we are not well off. They are not contented, but there the matter stands.

Secondly, they claimed a larger share in the indemnities from Germany, and owing to British support they have got it raised to ten per cent. This is at least something done. They are not likely ever to get much out of Austria.

Thirdly, they think we could do something to remedy the ruinous exchange which is strangling them. But what we could do it is very hard to say.

Fourthly, they think we should supply them with more and cheaper coal. Unlike France, they have none at all of their own. Before the war they got about one million tons a month, far the greater part of it from England. Now they get a varying quantity, seldom reaching half a million a month. They are given advantage over the

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neutrals. But their grief is that we supply them, as they think, with an unfairly small proportion as compared with France, that has at least some supplies of her own, but gets from us a great deal more than Italy. They also complain that we supply coal at a ruinously high price to our friends. The arrangement by which our Government at one time artificially lowered the price to the domestic consumer in England at the expense, as they conceived, of the Italian railways and factories, was peculiarly unfortunate. They have used up much of their forests, and fuel shortage is in many parts of Italy terrible.

III

THIRDLY, we come to the question of *frontiers, annexations and mandates*. Here the Italians think that we have neglected or strained the principle of self-determination in adjudicating territory to the non-Italian allies ; but have looked on in silence while President Wilson attempted to apply the principle rigidly against Italy—yet not impartially because Fiume is an Italian city and even before the armistice demanded annexation to Italy.

“ France,” an Italian would say, “ has taken Syria, regardless of the Arabs ; the discontented racial minorities in Alsace-Lorraine, Bohemia, Transylvania, Thrace, Smyrna and Macedonia are greater than those in the small districts on which we have advanced claims. In the Balkans Greece, who only joined the Allies near the end of the war and almost under compulsion, gets the lion’s share.” There may be very good reasons for putting Turks and Bulgars under Greeks, and Macedonian Slavs under Serbs, but it prevents Italy from believing that we are devoted in any rigid sense to racial as opposed to strategic boundaries. And they claim the same latitude for themselves.

As to the British Commonwealth, our old friend the

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Corriere della Sera tells us that we have taken "twenty lions' shares" at the peace. Though far the richest of the European allies, we have held out our plate with the rest for indemnities. The German colonies and Turkish provinces have been added to our enormous empire. We are holding down Ireland, Egypt, India by force of arms. We are hurrying troops into Mesopotamia to keep down the inhabitants. In face of these apparent facts our own genuinely held and perhaps profounder belief that we are "taking up the white man's burden" seems to the Italian only our ineradicable way of talking. They do not see why they also should not "take up the burden" of a few Slovenes, in order to secure their frontiers. When, side by side with daily reports of fresh broils in Ireland, India, Mesopotamia, arrives a leader-sermon from one of our newspapers on Italy's Imperialist greed, Italians read and think us hypocrites.

Some of us have not realised that since the fall of the German, Austrian and Russian Empires we stand as the great Imperialist power in world-politics, representing the principle that under certain conditions it may be right for one race to bear rule over another. We must adjust our language to other people accordingly or we shall get ourselves very much disliked.

There are indeed some considerations that the Italians are prone to overlook. Mesopotamia alone costs us thirty millions a year, and our new acquisitions are more liabilities than assets. Italy wisely refused a mandate in the Caucasus, and is much better off with her "economic sphere" in Asia Minor than if she had taken over the charge of Turkish or Arab territories. She should also remember that we have given her some of our territories in Africa. And we have concurred in her claim to the Brenner frontier, though it includes a considerable German district, in order that she should have a strategic defence on the north. There at least she has been treated on all fours with the rest of the allies.

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Neither, as regards the Adriatic, is the British Government without defence. The worst fault lay with President Wilson, who put himself zealously at the head of the anti-Italian movement. The British Government, so far from being omnipotent, as Italians sometimes imply, was in no position to break with President Wilson.

But here we come up against the Italian point of view, to which justice has not been done owing to the propaganda of the Jugo-Slav advocates in England and America, far more ably conducted than any propaganda that has been done either by or for the Italians. It has consequently escaped the notice of our public that the Italians must inevitably regard the Croats and Slovenes not as allies but as enemies. They have been Austria's willing instrument in every war against Italy of the nineteenth and twentieth centuries. Unlike the Czecho-Slovaks, they fought in the Great War enthusiastically for Austria, though doubtless hoping to get Home Rule as their reward. The fact that when Austria at length was beaten they joined in the inevitable revolution and are now part of the same State as Serbia does not alter the matter from the Italian point of view. The Italians consider that Serbia has in any case been rewarded by an extension of territory proportionately greater than any other ally. They do not see why, because the Serbians fought valiantly for us in the war, Italian citizens of Fiume and Zara should be given over to the enemy Croats. Fortunately the day has gone by when that is any longer imaginable. And the Italians, on their part, must clear themselves of the suspicion of intending to strangle the trade of these ports. On that point the Jugo-Slavs have an absolute right to security.

The Adriatic problem has, to the Italian, two aspects : first the refusal of the Italian and the Italianate citizens of certain Adriatic ports to be put under an alien civilisation, which they regard as more backward than their own ; secondly, the question of submarine bases and the maritime domination of the Adriatic, the Italian coast being flat and

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almost harbourless. These two points of view answer closely to our two main reasons for refusing the Sinn Fein demand for an independent Ireland. To cite them is not to solve either the Irish or the Adriatic question, but to omit them is to render solution impossible.

There remains also for Italy the question of strategic frontier; they cannot be expected to relish having the enemy within cannon-shot of Trieste.

In the ecstatic weeks after the armistice the head of every victor nation was turned. It was the period of our own General Election, when our government people said many things, not erring on the side of generosity or self-sacrifice, of which they have repented at leisure. In the same way Italy, led by Baron Sonnino, laid claim that winter to overmuch, in a tone of voice that did not win favour with Europe. When the time came to reduce these demands, Baron Sonnino and Signor Orlando, not being versatile statesmen, departed with their policy, and made place for Signor Nitti, a moderate of the moderates. With his arrival on the scene came our chance to settle the Adriatic question by securing Italy's rights in the Fiume region, since she had ceased to insist on the Treaty of London and its unhappy Dalmatian claims. It was our cue also to help Signor Nitti to solve his economic difficulties at home. We failed and he has fallen. We are faced by the great enigma of Signor Giolitti.

When Signor Giolitti shows his hand all these questions will come up again, not improved by the keeping. It is sincerely to be hoped that next time, which will be a very critical time, the British press and public will understand the Italian point of view more accurately and more sympathetically than heretofore. We cannot afford to quarrel with Italy. To do so while America and the League of Nations are in abeyance would be to have no colleague but France in the task of settling the world. And the value of Italy as a colleague is not confined to her

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potential economic and military strength. For her statesmen and her people are in agreement with us on the general world problem ; on the need of putting Central Europe on its legs ; on the necessity, while insisting on allied rights, of not goading our late enemies into a war of revenge. Like ourselves, the Italians are "good Europeans." And that means that they are also good citizens of the world.

PROBLEMS OF EUROPE

I. SAN REMO TO SPA

IN JUNE THE ROUND TABLE pointed out how long and arduous was necessarily the task of restoring order and re-establishing normal conditions in Europe. This is a note which was struck by the Prime Minister in his speech to the House of Commons on his return from Spa :—

“ Finally,” he said, “ I should like to make a plea which I have put in before, but which, I think, is very necessary, and that is a plea for patience on the part not merely of the British public, but of the European public as well, in the difficulties which the world has to get through. A world ravaged by such a war as that we have gone through is not easily appeased. The real enemy is impatience. The world is over-strained. It is suffering a little from the restlessness of neurasthenia.”

It is a point on which too much stress cannot be laid, and nothing is more important at this moment than to point out the actual amount of progress which has been made in overcoming the very great difficulties by which the rulers of all countries are confronted.

The meeting at Spa between the Allies and the Germans undoubtedly marks an important stage in this process, if for no other reason because it was the first time at which the questions at issue with Germany were discussed round the table with actual representatives of Germany. The question might indeed be asked why this method was not adopted sooner ; even at Paris and Versailles, though there

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was a general agreement in all countries that the main terms of peace must be presented to and imposed upon Germany, there were many who held that it would have been wise to take advantage of the presence of the German Delegation in order to discuss many of the more technical matters, especially those to do with Reparation, just in the same way as there were discussions with regard to the food supply of Germany under the Armistice. However this may be, the situation certainly became a different one after the ratification of the Treaty, and from that time the British Government have never ceased their efforts to bring about a meeting of this kind. Had there been such a meeting in the earlier part of this year it is probable that the French occupation of Frankfurt would have been avoided. The matter first came up for formal discussion at San Remo, and then two important decisions were made. First of all it was agreed that the demands which were being pressed on the Government from many sources for a revision of the Treaty should be refused. The Allies should require Germany to carry out that which she had undertaken, but at the same time representatives of Germany should be invited to confer with the Allies "in a position of equality." It is no secret also that there was some difficulty in persuading the French to accept this position, but that Mr. Lloyd George was enabled to carry his point owing to the support which he received from Signor Nitti.

The meeting had to be delayed owing to the elections which were to take place in Germany, and for some time the result of the elections appeared to be that there might possibly be no German Government which could undertake the responsibility. The German Government had depended on a coalition between the "Moderate" parties, the Centre, the Majority Socialists and the Liberals. But the events in Germany during the earlier part of this year, particularly the Kapp rising and the civil war in the Ruhr district, followed as it was by the French occupation of

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Frankfurt, greatly weakened their position and strengthened that of the extremist parties on either hand—the militarists and the independent Socialists. This was not surprising ; what Germany requires is a firm and strong Government which can keep order in the country ; in this they had failed. How much their failure was due to their own mistakes or to unavoidable causes is quite immaterial. A Government is always judged by results, especially a Coalition Government. Those who dreaded danger from the Communists and Bolsheviks naturally voted for those parties which wished to restore an authoritative Government, while on the other hand the extreme parties of the Left, who above all feared the concentration of military power in the hands of the men of the former regime, supported by the middle classes, received a large accession of strength from those who feared a concentration of military power in the hands of a Government representing property. The result was that parties were so evenly balanced in the new Reichstag that the Government resigned, and some considerable time elapsed before any fresh Administration could be formed.

The new Government, when it came into being, consisted of a coalition between the Centre and Democratic parties and what is now called the German People's Party, but is really the old National Liberal Party. The admission of this party into the Government caused grave apprehension, for they were the representatives of the great industrialists who had been to a very large extent responsible for the policy which brought about the war ; during the war they had identified themselves with the extremist war aims, and a *bourgeois* Government, from which the Socialists were excluded, might easily so increase the social and political tension in the country as to bring about civil war. The auspices for a meeting with the Allies were also not favourable ; there were many among the supporters of the new Government who had given indications that they would take their stand on the position that the Treaty of Versailles

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was one impossible to carry out, and if they persisted in this view, then it was to be anticipated that discussions would only aggravate the situation.

The difficulty was increased by the attitude taken by large and influential parties in France, whose criticism made the position of M. Millerand an extremely difficult one. The view has constantly been supported in the French Press that it is a matter of honour for the Allies, not only that the Treaty of Versailles shall be carried into force, but that on every doubtful point the most uncompromising interpretation shall be placed upon it, and that the opportunities given in the Treaty itself for the remission of some of the terms should not be used. If the Allies had gone to Spa with the purpose of enforcing this view upon the Germans, there can be little doubt that an open breach would have been the result.

Between these two views the position of the British Government was an extremely difficult one. Their attitude may be defined by saying that on the one hand, as we have already pointed out, they agreed that there should be no revision of the Treaty; but on the other hand it was necessary to insist that the Treaty was not in all its details a final, complete and absolute settlement which was to be imposed without discrimination. There were many points on which it was clearly intended, and in fact expressed in the actual text of the Treaty, that there should be scope for further discussion and latitude for modification. This is especially the case with regard to the payments to be made by Germany both for reparation in general and in particular as to coal. To quote Mr. Lloyd George's speech :

The Treaty provided that in fixing the contribution of German coal we should take into account the needs of German industry and those who regard the Treaty as a kind of rigid document which cannot adapt itself to the needs of Europe have evidently overlooked governing phrases of that kind—vital phrases.

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The Treaty indeed laid down that Germany should each year provide a specified amount of coal for the use of the Allies, but the final clause of the Annex in which these deliveries are dealt with runs as follows :

If the (Reparation) Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Germany, the Commission is authorised to postpone or to cancel deliveries and in so doing to settle all questions of priority.

Here, then, we have a quite definite instruction to the Reparation Commission, giving it very large powers for remitting what are not the final, but merely the maximum, demands that can be made upon Germany. Here was a matter which clearly could not be satisfactorily settled unless there was an open discussion with the Germans themselves. This might indeed have been left to the Reparation Commission, but in view of the importance of the matter there were many reasons why it should be considered at a meeting of what for convenience we may continue to call the Supreme Council of the Allies, and this was in fact one of the most important matters considered at Spa.

The result is one which surely will go far to justify the procedure adopted. Under the terms of the Treaty, the Germans could be required to deliver to the Allies 3,500,000 tons of coal per month. It was represented by the Germans that it was physically impossible for them to meet these demands. They have been enabled to establish their case, and indeed it may be suggested that in fixing the amount so high the Allies at Paris had perhaps not fully considered the importance of the transference to France of the whole of the Saar Valley coalfield. Moreover, the Germans were clearly much hampered by the uncertainty as to the future of the coalfield in Upper Silesia. The result of the negotiations has been that the monthly deliveries are reduced to two million tons—surely from the German

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point of view a very important concession, and one which still provides to France and the other Allies a very substantial assistance.

The discussion was complicated by the question as to the price to be paid for the coal by France. On this indeed the Treaty was explicit. The price was to be for overland delivery, the German pit-head price to German nationals plus the freight to French, Belgian, Italian or Luxemburg frontiers, and for sea delivery the German export price f.o.b. at German ports, in either case with a provision that it should not be greater than the price of British coal. Since the Treaty had been signed the situation had, however, greatly altered, owing to the reduction in the value of the German mark, and there was no doubt that the enforcement of these conditions would be a serious additional burden upon Germany. Not only would she be compelled to sell her coal to the Allies, but compelled to do so at what was much below the world market rate. Here was a case in which the claim might justly be established that the Allies should allow some remission from the precise wording of the Treaty. The solution adopted was both ingenious and wise. The Germans pointed out that they could not guarantee the delivery of the coal owing to the difficulty in providing food for the workers. It was therefore arranged that France should pay an additional sum for the coal, but that this money should be used to guarantee a loan to be raised by the Allies, the produce of which should be applied for the feeding of the miners. This is an interesting illustration of the manner in which some diversion from the precise terms of the Treaty may become necessary in order to achieve the results aimed at in it.

On the general matter of Reparation, no final settlement was arrived at. The Germans, however, took the opportunity of putting in for the first time proposals of their own. The proposals were of a kind which were satisfactory inasmuch as they did not show any attempt to evade the

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obligations which they had undertaken, but took the form of an elaborate scheme for carrying out these obligations. Here again, then, we have a very important step in progress. It was not, indeed, possible to come to a final conclusion or to accept the German proposals; all that could be done at the moment was to refer them to a special Committee which should continue the discussion with the German experts; but the very fact that this has been done is of good omen for the future.

In some ways these economic problems, wearisome and tiresome as they may be in their details, are of the greatest importance, for it is on the proper solution of them that depends not only the restoration of normal economic life in Europe, but also the maintenance of social order. Side by side with them there had to be discussed also the question of German disarmament. Here the situation was different. The words of the Treaty on this matter are imperative. The German army has by a defined date to be reduced to 100,000 men, and all munitions and instruments of war beyond an agreed minimum have to be surrendered to the Allies and destroyed. As is well known, the German Government has again and again protested that it is physically unable to carry out these requirements. Eventually, while the main principle was maintained, a small concession was made, and the Germans were allowed another six months in which to carry out their obligations.

These results were not obtained without difficulty. More than once it appeared as if the Conference would end in a breach. The resistance of the Germans was on some points very determined, and the part played by Herr Stinnes was very sinister. He succeeded in rearousing all the passions of two years ago. The leaders of the Allies found themselves for the first time personally in the presence of that spirit of mingled arrogance and subterfuge of which they had hitherto only heard and read. They were confronted by a bitter and unscrupulous enemy, and it required all the efforts of Herr Fehrenbach and Herr

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Simons to undo the effects of this impression. It was necessary to make it clear to the Germans that in the ultimate resort there was no alternative open to them but to accept the very much modified requirements. They had been listened to; their representations had been heard and considered; very great modifications had been made in those demands which the Allies under the Treaty were justified in making; but it had to be clearly understood that this was the extreme limit to which concession could go. Ultimately there can be no doubt that the resistance of the Germans was only overcome when it was made quite clear to them that if they remained obdurate the Allied troops would march into the Ruhr Valley the next week. They became aware that on this matter there was complete unanimity between the French, the English, and the Belgians. The forces were ready to cross the frontier and would have done so. It was this, and this alone, which brought about their acceptance.

If we are to judge by what we hear from Germany, the position of the Government will not ultimately be weakened by the fact that they had to give way before this display of force. After all, the Germans themselves know that the present position is one which cannot be allowed to continue. It is impossible to go on in a situation where there are from one to two million rifles distributed among the population. The position of these arms is a danger not so much to the Allies as to the Germans themselves, and it is for the benefit of Germany that the Government should be strengthened in its endeavour to get them out of the hands of their present possessors. No one is inclined to underestimate the difficulty of doing all this; as was pointed out during the Conference, Germany is not the only country in which the Government find themselves hampered by the presence of large numbers of arms and a discontented population. It is a phenomenon which is the inevitable result of the war. The first stage towards the general pacification of Europe is the destruction of these lethal

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weapons. Europe will never be at peace so long as immature boys and discontented working-men know that there are secret stores of rifles and ammunition to which they can get access. The German middle classes maintain that the *Einwohnerwehr* must have their rifles in order to protect the peaceful population against the depredations of Bolsheviks and Communists; the extremists of the working classes maintain that they must have their rifles in order to defend themselves against what we may be allowed to call the upper classes. Surely in this situation the best thing if it can be done is to deprive both parties of their arms.

We must not allow these discussions as to the number of rifles still unreclaimed in Germany to obscure the very rapid progress which is being made in the more general disarmament of the country. After all, the work of the Commission of Control is continuing, and as a result the great engine of German militarism has in fact already been destroyed. Let us consider what it means when we hear that 25,000 cannon have been surrendered, and the Germans have in their possession now only some 2,000. Let us consider the condition of the world now from this point of view with what it was before the war. The great German military machine, which was so long a danger to Europe, has in fact ceased to exist, and we have got already a very long way towards that general disarmament which was throughout one of the chief desiderata to be brought about by the war and the peace. We say the general disarmament because there can be no doubt that when once the disarmament of Germany has been completed all other countries will, though perhaps in a less degree, follow. But for this purpose it is necessary first of all that the Russian problem should be settled.

Mr. Lloyd George's speech on his return to the House of Commons has already been mentioned. He had little difficulty in answering the criticisms which were made. Mr. Asquith's contention that what had happened was in

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fact a revision of the Treaty was easily disposed of ; it was a criticism which was based on a fundamental misconception of what the Treaty contains and means. As the Prime Minister said on a later occasion :—

The policy was the policy of the Versailles Treaty, not the Versailles Treaty as represented by its critics but the Versailles Treaty as it really was. There was some sort of monster dressed up as a Versailles Treaty which did not in the least represent its actual terms.

The point is not without importance, because this misrepresentation of the Treaty, which is so common among a certain school of critics in this country, is one which is also put forward with more authority in France. It is criticised by an influential school of statesmen and journalists, not as in England on the ground that it is indefensibly harsh, but that it is culpably lenient, and that therefore it is in every possible case to be interpreted in the sense most unfavourable to Germany.

There are questions, however, which might well have been asked. Spa is a great advance and a great achievement, but why have we had to wait so long for this ? Over a year has elapsed since the Treaty was signed ; more than six months since it was ratified. The Reparation Commission has now been long established ; it has a very elaborate organisation, a large and very expensive staff. The question of the deliveries of coal by Germany was one which was specifically referred to it in the Treaty. What has it done ? Why had it not of its own initiative undertaken an investigation of this matter and prepared a solution ? If the question was one of such difficulty that the Prime Ministers had to be called in to settle it, at least we might have expected that some sort of preliminary report and recommendations should have been supplied by the Reparation Commission. The published accounts do not suggest that anything of the kind had been done. What is the good of setting up this very pretentious

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organisation, an organisation which involves very heavy charges on Germany which must eventually come out of the funds available for reparation, and so considerably reduce them, if it fails to carry out the objects for which it was established? And, again, too little information is available as to the very delicate matter of the trial of the war criminals. Here again there is long and unaccountable delay. All that can be gathered is that the first list of criminals presented to the German Government was one of such a kind that it could not be defended, and had immediately to be withdrawn. It is to be noted that even at the time of writing the British nation is left in entire ignorance as to the whole matter; neither the original list nor the revised list, which is said to have been sent in, have ever been published here.

II. PLEBISCITES

IN other matters slow but sure progress is being made. The plebiscite in Slesvig has now been succeeded by those in the Allenstein and Marienwerder areas. Here also the result has been interesting, and has confirmed anticipations. The vote in both these districts has shown an enormous German majority. Suggestions have been made that this result is one which indicated that those who drew up the boundaries between Poland and Germany at Paris were at fault, and even that it would be a natural corollary from this to make some alteration in the other frontiers which were determined on. The argument seems to be that if in Marienwerder and in Allenstein there has been so large a German vote, then an appeal to the population in West Prussia and in Posen would also show that many districts have been unjustly and contrary to their own will transferred to Poland. This argument is faulty. A plebiscite was determined on in Marienwerder and Allenstein for the reason that, though these districts were

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claimed by the Poles, the claim seemed to be one which was open to very serious doubts. Allenstein had always been part of East Prussia ; it had not been transferred to Germany in connection with the partition of Poland ; to it Poland had no historic claim. It was, however, represented that there was a large Polish-speaking population here, and that in accordance with President Wilson's principles it should come under the formula "districts which are predominantly Polish." The Conference was unable to accept this view entirely, for the Polish population consists almost entirely of uneducated peasants who speak a language very different from the ordinary Polish, and in addition—a matter of great importance—are Protestant. The district, therefore, was clearly in quite a different position to West Prussia and Posen. So far from the result of the plebiscite being evidence that the work of the Conference was badly done, it seems entirely to justify the reluctance which they showed on this point to accede to Polish requests. As to Marienwerder, it was probably a mistake ever to have a plebiscite at all. The only ground on which this district could be claimed for Poland was the fact that an important railway between Warsaw and Danzig ran through it. It was always known that the sentiment of the people was German. The question at issue was how far the sentiment should be ignored for the sake of economic convenience. When it had once been determined, whether rightly or wrongly, that the existence of the railway was not by itself sufficient ground for assigning the district to Poland, it would probably have been wiser simply to have left it to Germany. On the other hand, the great strength which Germanism has shown in all those districts where plebiscites have already been held will no doubt tend to have an influence on the destinies of Upper Silesia, which much transcends in importance all the others together. It is undoubtedly unfortunate for the Poles that the voting should have taken place immediately after the great collapse of the Polish

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Eastern offensive, and just at the moment when the very future of Poland itself seems to be at stake. It may be anticipated that this consideration will also influence the Silesian voters.

It is interesting to note that the one place in which the plebiscite solution has failed and had to be given up is in one where the dispute lay not between two enemy States, but between two States which at any rate were both united in the great alliance against Germany. In consequence of the increasing friction between Poland and Czecho-Slovakia, the refusal of Poland honestly to accept the reference to a plebiscite, and the repeated attempts made to stir up disorder in the district and impede the work of the Commission, it was determined to get the boundary fixed by direct negotiation between the two States. This also failed, and eventually it became necessary for the Allies to take the matter into their own hands and themselves to draw the frontier. This has now been done; but it is not probable that any decision will meet with the approval and be genuinely and frankly accepted by the two claimants.

III. POLAND

THE crimes and atrocities which have in the past been perpetrated in Russia constitute no valid objection to dealing with the Soviet Government or to peaceable relations with it provided that the Bolsheviki abstain from stirring up strife in other countries. Such dealings no more commit us to approval of their misdeeds than peace with the first French Republic committed us to moral condonation of the excesses of the French Revolution. Whether we like or dislike the particular form of government which at this moment exists in Russia is also beside the issue. Most people in this country dislike it profoundly, but then they also equally disliked the Government of the Tsar. The

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world would never get along at all if we refused to negotiate with any Government that failed to conform to a certain ideal. The real objection to awarding *de jure* recognition to a revolutionary Government is that its authority may eventually be questioned, and it may be found that its successors refuse to be bound by its actions. This reason might no doubt account for the postponement of the final determination of the frontier between Poland and Russia or the future position of the Ukraine. At the moment what was required was to pin down the Bolsheviki to observe the ordinary rules of intercourse between States. To-day, however, Russia is practically united, and there is clearly no reason why we should not deal with the Soviet Government on the ordinary lines on which business is transacted between States, provided that they themselves abide by those rules. For the establishment of such relations there are many practical reasons. It is indeed impossible for the world to recover from the shock of the war without them. Thus Europe generally stands in as much need of Russian grain and raw materials as Russia does of all sorts of things which can only be obtained outside Russia. Any effective scheme for general disarmament is, moreover, as already stated, out of the question as long as she remains an uncertain factor. At the moment, however, the Polish question has put every other problem into the background, for the whole of the fabric built up by the Peace Conference in Central Europe depends upon the independence of Poland, which is now in danger.

The earlier stages of what looks like the beginning of another Polish tragedy are too recent to need any detailed reference. During the winter a serious warning was given by the Prime Minister of this country to Mr. Patek that if Poland herself took the initiative in warlike operations against Russia she did so without the sanction and encouragement of the British Government, and could hope for no kind of assistance or support. In spite of this, and of peace proposals from the Soviet Government, the Poles,

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who had already advanced 200 miles into Russia, renewed their invasion. They are, of course, an independent nation, and responsible for their own policy, and at first their armies met with unexpected success. It was, however, short-lived, and the Russian troops are already within a measurable distance of Warsaw.

Technically the Bolsheviks are no doubt within their rights in invading Polish territory, but if they proceed to destroy the independence of Poland, the welfare of the whole of Europe, in the reconstruction of which a free Poland has, as has been justly observed, the importance of a linch-pin, would be adversely affected, and with it the interests of Great Britain, which are bound up with those of the rest of Europe. In taking the initiative with the object of bringing about an armistice and of ultimately arranging terms of peace between Russia and Poland the country was acting strictly in accordance with her duty, and if the Bolsheviks should bring her efforts to naught by persisting in their advance and trying to impose a particular form of government upon Poland, she would equally be justified in assisting her.

If a clear account of the character of Bolshevik domination is needed from an eye-witness of its effects in Russia who cannot be suspected of bias, it will be found in the statements made by Mr. Tom Shaw to the session of the Second International at Geneva on August 6 of this year. The following extract is taken from *The Times* of the following day :—

GENEVA, August 6.—Mr. Tom Shaw described the Soviet system as he had seen it on his recent visit to Russia. He said : “There is no proletarian dictatorship in Russia, no freedom, no democracy, only the autocratic rule of a small group. The workers have no liberty. They must work where directed and at what they are told.” He refused, he said, to use mild language or to hand bouquets to men who threatened to hang Herr Scheidemann from the lamppost, called Mr. Ramsay MacDonald a traitor to the working classes, and denounced other workers’ leaders as the

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bourgeois tools of capitalists. He could not understand the mentality of men who were willing to plunge their own country into bloodshed and misery to please Lenin.—*Reuter*.

At the same session Mr. J. H. Thomas is reported to have said that the British were opposed to intervention in Russia, but they would also hinder the Bolsheviks from profiting from the present situation to the detriment of other nations. No words could more clearly express the line which British policy ought to take.

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I. THE FINANCIAL AND ECONOMIC SITUATION

THOUGH the country is gradually settling down to a truer conception of the economic effects of the war it is doubtful whether the different sections of the community have even yet grasped the nature and extent of the sacrifices they must necessarily involve. Though it may be true to say with Mr. Lloyd George that the country has made a stupendous effort at reconstruction, and with Mr. Chamberlain that in our financial problem we are over the worst, it remains also true that the peculiar circumstances we are still subject to—particularly the abnormal demand of the world for certain commodities which we can supply, such as coal, textiles, machinery and so forth, and the temporary absence of European competition—enable us to support economic conditions both as regards wages and interest which we shall find a heavy burden indeed when this demand becomes less intense and this competition revives. At present our industries seem able not only to stand wages, which have in some important cases risen considerably more than the cost of living, but also to pay interest on capital of, say, 8 per cent. as compared with 5 per cent. before the war, mainly because they have been able to charge the consumer, and particularly the foreign consumer, what they liked. The Continent generally had to have our coal, and the profits on its export have been consequently

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very great. Manchester thought that China and India must take our cotton goods at any price. They have taken them, though eventually, as Manchester was concerned to find, they preferred even at a sacrifice to go without. So great is the world's demand for goods that quite possibly the seller may for some time still be stronger than the buyer, and prices may be maintained. But it is quite certain that in the end we shall have to measure our efforts against those of other European countries. Some of them, such as Germany, will by the nature of things, and by the necessity of paying reparation in particular, be compelled to work very hard, live very sparingly, and export to the greatest possible extent. The maintenance of our foreign trade in manufactured articles will then depend on the prices we can afford to sell at, and these will depend in the main on the relative efficiency of our labour and management and the relative scale of our wages. Our home trade will depend on the real purchasing power of the community, and that will be dependent on our actual production, and not on the artificial stimulus of rising wages and rising prices. As long as rising prices could chase rising wages, and currency and banking inflation accompany both, there was an appearance at any rate of great prosperity and home trade was very active, because the rising wages and abnormal profits placed temporarily in the hands of large classes increased purchasing power. But this was a process bound ultimately to lead to a financial crash, such, for instance, as Japan has already experienced to a more or less serious degree. The Government and the Bank of England respectively have therefore done their best to put an end to this rake's progress by limiting the amount of currency notes that can be issued, by raising the Bank rate and the rate of interest on Treasury Bills, and the bankers in general have co-operated by putting up their rates on loans, and restricting to non-speculative purposes the credits granted. While it is not intended to discuss here these hotly disputed measures, as to which wide differences of opinion exist in

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the City, they have, in the writer's opinion, undoubtedly tended to prevent further inflation.

Rationing of credit at a lower rate by a few chairmen and managers of banks is not an effective alternative to high interest rates. These gentlemen, however great their ability and experience, cannot have the omniscience required to determine which industry and trade should have credit and which should not. A rise in interest rates on the other hand, with all its disadvantages, automatically directs capital—insufficient in amount as it is, for all crying needs, into those channels where it is most urgently required of all. Rationing of credit by itself would suffer from the same evils as Government regulation of prices, rents and so forth. The housing *impasse*, due to the fact that the rent of houses bears no relation whatever to their cost, is merely one instance of the morass of difficulties into which such courses lead us.

If, however, inflation is now checked, then prices should cease to rise, and the purchasing power of the community will cease to be artificially stimulated. As the true effects of the high cost of living and the huge taxation then begin really to have their effect, the demand for the products of home trade will diminish, and manufacturers will not find a means of paying higher wages by charging higher prices to the public, for the public will not buy. Unemployment is likely then to be very serious, and it will become apparent that the impoverishment of the country by the war cannot possibly have the paradoxical effect of ensuring a higher standard of life for the people, and that that cannot be attained except by hard work and economy on the part of the whole community, making good, and more than making good, the losses of the war.

We have still, therefore, to brace ourselves to further efforts. The first task of all is for the Government to put our finances in order. We can never tackle our social problems unless we secure stable prices, and, whatever may be the other influences affecting prices, it is certain that

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stability can never be reached if the Government does not restore order to its finances. It is essential, therefore, that the Government's revenue should cover its expenditure, including in that term all interest and sinking fund payments on the National Debt and all necessary repayments of foreign loans, and that in addition a considerable sum should remain over for the gradual reduction of our floating debt. From the results of the recent issue of 5-15 year Treasury Bonds it is apparent that the investing public is in no mood to subscribe large sums to the Government by way of loan, even to reduce the floating debt. The Government is necessarily obliged, therefore, to look at present to taxation as its only resource. It would have been well if many of Mr. Chamberlain's critics had borne these obvious facts in mind. Mr. Chamberlain had in this financial year 1920-21 to meet a total estimated net expenditure, exclusive of debt reduction, of £1,184,102,000. (This figure, it appears from the daily Press, has already been increased by some £20,000,000 in Supplementary Estimates, and the political outlook in Ireland and the rest of the world gives little assurance that this is the end.) As against this he estimates from existing taxation—*i.e.*, with Excess Profits Duty at 60 per cent.—to get £1,418,300,000, including special receipts of £310,756,000. If these latter receipts are deducted as being non-incurring, to meet an expenditure of £1,184,102,000 there is revenue amounting to £1,107,544,000. Whether, therefore, our taxation can be reduced next year, when Mr. Chamberlain estimates, existing taxation will give us £1,238,000,000, clearly depends on a reduction in Government expenditure. If our foreign and domestic policy involve us in further great expenditure, it may even be a question not of reducing but of increasing taxation.

Now it is a common ground among all those who are in a position to observe the effects of our present taxation, that it is already at a dangerously high level. Not only does it tend to diminish our production by reducing to an

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unreasonably low level the rewards of enterprise, but it draws away for Government purposes the capital so urgently required by private industry. Mr. McKenna has, indeed, estimated that the Chancellor is withdrawing for taxation nearly £250,000,000 more than the nation can possibly stand. In the light of this situation it is easy to understand the Government's refusal to consider the proposals of the Miners' Federation to divide between the miners themselves in the form of higher wages, and the community in the form of a reduced price of coal, the abnormal profits which will accrue on its export. These profits, according to Mr. Smillie's estimates, from which Sir Robert Horne does not seem to dissent, will amount to £66,000,000. There is no more reason why excess profits on coal should be shared between the workers and the consumers than the excess profits on the textile, steel, engineering or any other industry. But these profits are abnormal and quite temporary, and to adopt the proposal of the Miners' Federation would mean not only to raise wages to a height which could not possibly be maintained in normal times, but to withdraw from the Government the whole proceeds of the Excess Profits Duty, estimated to amount to £220,000,000 for the current year. This sum would have to be found by other additional taxation. And the same body which proposes thus to reduce the Government's revenue is insisting on the other hand, not on any reduction of expenditure, but on its great increase by huge schemes of nationalisation. Mr. Smillie and his colleagues, who appear to hold the simple faith that there is in the possession of the richer classes an inexhaustible reservoir of taxable wealth, do not bother themselves with that side of the question, and no doubt will not, unless they ever come to have the responsibility of government thrown upon them. But some of Mr. Chamberlain's critics should know better. They are quite right that existing taxation is too high for our economic prosperity. They are quite right in declaiming against the Excess Profits Duty. But

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they have failed in giving any clear indication of an alternative tax they would prefer. They have hesitated to advise either a graduated or a flat tax on profits such as the new Corporations Tax, which imposes a flat rate of 5 per cent. on the profits of all companies, on a sufficient scale to replace the Excess Profits Duty. Yet the Chancellor must have the money, and between now and next year some alternative more endurable than the Excess Profits Duty must be agreed upon. The evils of this latter tax are too great for it to be maintained. If taxation is to be cheerfully paid, it must appeal to the sense of fairness of the taxpayers. The Excess Profits Duty is essentially unfair. It is based on a standard—based on profits earned before the war—which has no meaning or relevancy in to-day's vastly altered circumstances, and it is consequently resented as being far too hard on some, and far too easy on others. It leads to the grossest extravagance, to the maintenance of high prices, and to the strangling of new enterprise. No doubt any alternative will have serious disadvantages, for when taxation has reached its present height, any new tax must have grave consequences. But there are only two other alternatives before the country, either for the Government to follow the spendthrift course of not balancing its budget and borrowing what is necessary either from the public, or if, as is probable, the public would not lend it, from the Bank of England—a disastrous course—or to reduce expenditure. To be forced to borrow largely from the Bank of England would merely be to undo all the efforts to check inflation. Borrowing from the Bank of England results in artificially increasing banking credit, and also currency without any real assets behind the increase. It thus results in higher prices, and so brings us back to the vicious circle of increased cost of living, higher wages, greater Government expenditure, need for more taxation, worse profiteering, and so forth. Since it is not the Chancellor of the Exchequer but Parliament which is responsible for the scale of our

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expenditure, his critics would be wiser, and fairer too, if they turned their attention to persuading Parliament to reduce expenditure. It is satisfactory that a strong movement in this direction has now been inaugurated.

Anyone, however, who takes the trouble to examine the chief items of Government expenditure will see at once that any large reduction is a matter of no little difficulty, and involves at once burning questions of foreign and domestic policy. Let us examine very briefly how the year's gross expenditure of £1,282,274,000 is composed. Interest and Sinking Fund on the National Debt and other Consolidated Fund Services require £376,000,000. It may be taken that this item can hardly be reduced, and it should be noted that it includes nothing for Debt Reduction. The Chancellor proposes, indeed, to use a large part of his surplus for repaying some of the Funded Debt, and has been criticised for so doing. If such repayment had been voluntary the criticism would be just. It is more important at the moment to encourage production than to repay large amounts of funded debt. But only such repayment has been made as is obligatory on the Government under the terms of the respective War Loan issues.

The next main item is £296,170,000 for the Army, Navy, and Air Force. It is to be supposed that the Government see their way to a large reduction of this sum in the next financial year. But clearly this must depend very largely on the success of our foreign policy, on events in Germany, Russia and the Middle East, as well as on American naval policy. It is more than probable that there is still a good deal of wasteful military and naval expenditure. It seems curious that while the staff of the War Office has been reduced since the armistice to 6,764, that of the Admiralty should remain at the great figure of 12,827.

The remaining very large item to which attention need be called is £555,626,000 for the Civil Service. Undoubtedly economies could be made here, and very large economies,

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if Parliament is ready to face a contraction instead of an extension of Government activities. "Railway Agreements" are estimated to cost £23,750,000; Canals and Coastwise Transport subsidies, £2,508,000; the Bread Subsidy, £45,000,000; Housing and Housing Material Subsidies, over £25,000,000; Coal Mines Deficiency, £15,000,000. The Ministry of Munitions still costs £65,000,000; the Ministry of Shipping, over £21,000,000; the Ministry of Health, £17,569,000, as against £5,341,000 in 1914; the Ministry of Labour and Unemployment Grants, £25,997,000, as against £1,161,000 in 1914. There is clearly here opportunity for very large savings, provided Parliament will set its face against subsidies and doles, and insist that every service must as far as possible pay for itself, and provided, further, the Government abandons as soon as possible all forms of control in trade, industry and transportation. On the other hand, no one would advocate a reduction, for instance, in such items—unfortunately but inevitably very large—as War Pensions, £123,000,000, and Public Education, £57,000,000.

Parliament and the Government have, however, no easy task before them in putting their house in order. It was stated at the commencement of this section that the community has probably not yet realised the nature and extent of the sacrifices involved. Hitherto the process has been the one comparatively simple and popular in a democratic community of increasing taxation on the well-to-do, in order to provide uneconomically cheap bread, coal, railway fares, and so forth, for the bulk of the population. But, as already stated, this process has about reached its limit, and still heavier taxation would probably reduce revenue, instead of increasing it. It is indeed likely that, when a time of depression comes, even existing taxes will show a considerable shrinkage. If the comparatively few rich cannot be "squeezed" any more, there is no alternative but to reduce expenditure or to make the great mass of the nation pay more. We have had a recent example of

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the unpopularity of this process in the case of the increase of railway fares.

We are fortunate in the fact that one very important section of our daily Press has been conducting a vigorous campaign against a "wastrel" Government, and in favour of the most stringent Government economy, and depicting to the enjoyment of its readers the poor taxpayer in various tragic guises under his excruciating burden. One might have supposed that a laudable attempt to obey its daily injunctions and to make both ends meet at least on the railways by raising fares might have aroused in its breast some faint emotion of sympathy. But far from it. The attempt has been pithily designated as the "fare ramp," and the public has been exhorted in the very largest letters, "not to weaken in its determination to resist this greedy grab." But—perhaps luckily—such contradictions tend to cancel one another. No one uses a weathercock as a compass. And there is a much larger problem involved than the inconsistencies of the daily Press. The trouble is that the path which our financial situation indicates to us, and will indeed compel us to follow, leads in exactly the opposite direction to that along which the Labour Party sees its goal. The Labour Party, having condemned the "Capitalistic system," must find another to take its place. It has not made up its mind to accept the extremer forms of socialism such as communism or syndicalism or even the nebulous "guild socialism," having a shrewd suspicion that the two former mean a revolution, which, it knows, would still further depress the general standard of living, and that "guild socialism" depends for its attractions on remaining nebulous and in the realms of fancy. While, therefore, it does not feel quite happy in its choice, and professes its determination to resist any extension of bureaucracy, it has more or less plumped for the only other known alternative—namely, state socialism or nationalisation. There is no doubt of the soundness of the great body of Labour and the sterling common sense which it has often shown in refusing

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to be led astray by reckless counsellors. But, while most of us sympathise with the main objects of the Labour Party, they will not be secured by this dreary creed of which "Mr. Sidney Webb is the prophet." Of course, nationalisation means bureaucracy and nothing else, for no one has yet suggested an answer to the riddle "When is a Government Department not a Government Department?" Moreover, on a large scale nationalisation would probably be found incompatible both with representative parliamentary government and with a great foreign trade. But it is not these results—no one of which will commend itself to the Labour Party—on which we wish to insist here, but on the fact that nationalisation means nothing else but a vast extension of Government activities, and accordingly a great extension of Government expenditure. It is no answer to say that the Government will make everything pay. All experience shows that it will not. It is quite certain that the Government's *net* expenditure would be very largely increased by the Labour Party's programme. The greater the control by Government, the greater the expense. The personnel of the Ministry of Labour alone has gone up from 4,400 in 1914 to 17,324 in June, 1920.

But no great increase of Government expenditure is consistent with our financial health. Since further taxation is hardly possible, and is in any case not likely to prove remunerative, no other method would be open to the Labour Party than to follow Lenin's method and finance the Government by printing currency notes. The consequences must be disastrous. Our currency would suffer further depreciation; our credit would collapse; our exchanges fall rapidly; our imports would be enormously costly; prices would rise rapidly; profiteering would become more rampant; and every social evil we now suffer from would be enormously accentuated. There is no escape from these consequences even if the extremists had their way and nationalisation was inaugurated by wholesale confiscation.

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The impossible task of raising great Government loans might be avoided thereby, but not the necessity of raising further money to meet the increased annual Government charges.

The fact is that there is no alternative to retrenchment and economy. Russia has been ruined for the time being by extremist financial methods ; but we should be killed dead. No foreign nation has been able to trade with Russia for years. Imagine our plight if foreign nations were to cease trading with us for six months. We should have been all starved before then. A collapse of our credit, currency and exchanges, which would be involved by a spendthrift Government reckless of our financial stability, could quickly accomplish what the German submarines failed to do.

It would be very pleasant if we could find our " new heaven and new earth " under Mr. Smillie's ingenuous guidance by the simple method of paying still higher wages and simultaneously reducing the price of the product to the consumer. Unfortunately, we cannot eat our cake and have it, either under nationalised or private industry, though we should in the two cases follow the road to ruin by different paths, if we tried. If the Government were to run the industry of the country and found itself unable, if forced to pay higher and higher wages, to make both ends meet, it could, as Governments have very often done, follow " the primrose path " to ruin by debasing its currency and living on the printing press. But if industry is still in private hands, the end is reached by a shorter method. A private company cannot issue notes to pay its workmen wages. If those wages have reached a level higher than is justified by the real value of the product made, the company must close its doors, for it would be working at a loss. The true facts disclose themselves more quickly, and therefore the remedy is more quickly found and the ruin less widespread. At the moment the great profits on our export trade help to disguise the true facts, but without any doubt wages in many cases are

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reaching the point, if they have not already passed it, after which they will be disproportionate to the value of the work done. To raise them further can merely increase the cost of living and depress still further the standard of the unskilled and cheaper classes of labour, and, when the competition becomes more severe, must lead to widespread unemployment.

The fact is that all classes are faced with the necessity of great sacrifices. That was the answer to Mr. Chamberlain's industrial critics who complained of excessive taxation. Until we can reduce our Government expenditure materially, all those who have money must be willing to pay a very large part of it away to the Government. Taxation may have reached its limit, but it cannot yet be reduced. Similarly, Labour must play its part. Its future well-being does not depend on its "squeezing" the well-to-do, for they are being "squeezed" almost dry now. Further increases of wages are, therefore, merely absorbed by further rises in prices. Labour in fact pays for them. It cannot pull itself up by its bootstraps. The losses of the war, which must hit the whole community, can only be made good by hard work. Our crying need is for more capital, as has been urged time after time in the pages of *THE ROUND TABLE*. Though our revolutionaries may bawl in season and out of season for the destruction of "Capital," it is only by an increase of capital that real wages can be increased. Unless we are to face a disaster, we must persuade the voters that if they allow themselves to be led by the blind they will fall into the ditch. The more sober leaders of Labour can hardly be unaware that if they wish to better the lot of their followers, their policy must be that one which offers the greatest opportunity for increasing the country's capital. Any other will merely lead to disappointment and disillusion. Similarly the possessors of capital should realise that its waste on ostentatious and useless expenditure is a crime against society.

It is from this point of view that all schemes of socialism

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must be judged. Socialism cannot get rid of the need for capital and saving. It merely transfers the duty of saving from each individual to the State. The State can save only by allowing its citizens to consume less than it can persuade or compel them to produce. In theory it is arguable that a state can save as efficiently as its citizens, and can be strong enough to insist on and organise as much production and as much saving as are achieved by the motive power of private property and enterprise. Those who know from experience the inevitable methods of governments take a different view.

These reflections may sadden the heart of the ardent social reformer. But they need not lead to pessimism. Meanwhile let us remember that the greatest social reform of all is to restore our Government finances. Everything depends on sound finance. If we insist on the immediate achievement of other and much-needed reforms, at the expense of sound finance, we shall fail to attain them now and put off their attainment to a still more distant future.

II. THE "DIRECT ACTION" MENACE

ONCE again the pistol of "direct action" is pointed by British Labour at the Government's head. In form the threat is graver than any which has been made before, for the would-be intimidators on this occasion are not merely one or two trade unions but the representatives of the great body of Labour. It began on July 13, when a special meeting of the Trades Union Congress, convened to consider the policy and action of the Government in relation to Ireland and Russia, passed two resolutions, one addressing to the Government a series of demands and the other recommending to the affiliated trade unions the declaration of a general strike if the Government refused to obey.

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The second of these resolutions excited much hot and hasty comment in the daily Press. One newspaper applauded it ; two or three were mildly scornful ; but the overwhelming majority denounced it as an arrogant challenge to the constitutional supremacy of Parliament and the Cabinet. *The Daily Herald* was alone in welcoming it. *The Times* called it "the menace of revolution." To *The Daily Telegraph* it was "typically Irish" and "amusing if it were not so serious." *The Morning Post* saw in it "an ultimatum to the Government, demanding capitulation to the country's enemies." *The Daily News* thought it was "very formidable." According to *The Daily Mail* it was "unconstitutional, tyrannical and undemocratic." *The Pall Mall Gazette* considered it "foolish." *The Westminster Gazette* regarded it as "muddled." So one might continue through the whole directory of the Press ; but these examples are sufficient for present purposes. The decision which the Congress took on July 13 evidently shocked and alarmed public opinion in so far as it is written. But when some weeks had gone by, and the "revolution" had not yet begun, the public presently found new "folly" and "muddle" to perturb it in the holiday-time increase of railway fares. It does not necessarily follow that the outcry against the decision of July 13 was not justified. Before this article appears events may prove that the alarm was only too well founded. On the other hand, events may prove the opposite ; and there is this in favour of the second of these possibilities, that nobody will be more pleased if it is realised than the responsible leaders of the Trades Union Congress itself. In view of what has happened since and of fears that it may prove to be the herald of revolution, a careful study of this particular decision and of the subsequent attitude of Labour towards the Irish and Russian questions may assist us to understand the present situation and to see things in their proper perspective. The Congress was called at the request, primarily, of the

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National Union of Railwaymen. Mr. J. H. Thomas and most of his colleagues on the Railwaymen's Executive had been growing somewhat tired of trying to counteract appeals from unofficial groups of extremists on the fringe of the Labour Movement for a boycott by railwaymen of munitions traffic to Ireland and Poland. They pointed out with evident feeling that if it were wrong for railwaymen to handle such goods, it could not be right for engineers to make them. The question, they argued, was one for the whole trade union movement, not for any one section of workers. The Congress was, therefore, summoned to determine what attitude the movement collectively should assume towards these problems. Obviously it afforded a splendid opportunity for the extremists to exploit the sympathy of the moderates with the supposedly "democratic" aspirations of some of the people of Ireland and Russia. Let there be no misunderstanding about the sincerity of that sympathy. The mass of the British trade unionists are not at all anxious to see Sovietism imported into this country. They have recently heard from their own delegates who visited Russia something of the appalling conditions to which Bolshevism has reduced that country. The unchallengeable evidence that Bolshevism means compulsory labour for the ordinary working man has effectually rid their mind of any lingering admiration for applied Communism. Nor have the majority of the British workers any kindly feelings towards Sinn Feiners who murder and pillage in the name of Republicanism. But they have a generous toleration for the faults of men who, they think, are striving in their own mistaken ways for that vague object called "self-determination," and they have a real sympathy for peoples who are determined to be "self-determined" even if their end is social chaos and national ruin. For these reasons any action which the British Government may take against Sinn Fein or Bolshevism is distasteful to our trade unionists, and those who have the skill and the

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organisation can easily play on their perhaps over-sensitive "democratic" feelings.

This is one of the "circumstances" of the Congress of July 13 which need to be remembered in estimating the importance of its decision. Another and not less important factor is derived from that increasing sense of its own power which, as has been pointed out in previous issues of *THE ROUND TABLE*, is one of the present characteristics of the British Labour movement. The Trades Union Congress now claims to represent more than 5,000,000 organised workers. The 1,000 or more delegates who attend the meetings of the Congress regard themselves as members of a "Parliament of Labour." The score or so of leading men who are annually elected to the Parliamentary Committee of the Congress form for all practical purposes the "Cabinet of Labour." There was a time when the Congress was comparatively small in numbers and the Parliamentary Committee weak in influence over national affairs. Nowadays, at least in the belief of the Congress, its word should be law. The time, it holds, has gone by when its elected leaders should go to the Government "cap in hand" and present as a humble request something which the Congress formulated and approved as a peremptory demand. In other words, the Trades Union Congress is no longer content to allow the expressions of its views and wishes to be regarded as mere "pious resolutions," whether by Fleet Street, St. Stephens, or Downing Street; it is, therefore, only too ready to listen to proposals for reinforcing a formal statement of its demands by a formal intimation of what it will do if those demands are not conceded.

Considered in the light of these two influences—first, the prejudice, quixotic as it may seem, in favour of Sinn Fein and Sovietism (for Ireland and Russia, respectively, of course; not for universal imitation), and, secondly, the prejudice against passing another resolution foredoomed to be ineffectual—the proceedings of the Congress of

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July 13 become at least intelligible. The Congress began by adopting by a narrow majority (1,953,000 votes to 1,759,000) a resolution proposed by the railwaymen. In it Labour called for a truce between all parties in Ireland, under which the Irish people themselves would stop outrage and the Government would withdraw British troops, and demanded that, in the event of such a truce, the Government should forthwith set up an Irish Parliament with full Dominion powers in all Irish affairs and with adequate protection for the interests of minorities. That, as it stood, was a fair example of the type of resolution known as "pious." The Congress followed it up by adopting, at the instance of the miners, a second resolution which called for the cessation of the production of munitions for use against Ireland or Russia, and added :

In case the Government refuses these demands we recommend a general down tools policy, and call on all the trade unions here represented to carry out this policy, each according to its own constitution, by taking a ballot of its members or otherwise.

This resolution was advocated by Mr. Smillie chiefly on the ground that the Government would do nothing unless Labour showed that it was determined to force the Government to act. It was opposed by the textile unions, but adopted by 2,760,000 votes to 1,636,000—a majority of 1,124,000. It was this decision which called forth the storm of protest from the Press. One well-known writer on Labour matters was moved to say that the extremists had achieved the most signal triumph yet recorded for them. On all sides it was accepted as a sort of wild plunge into the "gulf" of "direct action." As we have already suggested, the worst prognostications may yet be confirmed. But weeks passed without anything further happening to give fresh grounds for that fear. On the contrary, there was a certain amount of circumstantial evidence which encouraged the hope that the resolution would in practice end in being a demonstration rather than a positive and

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definite threat. The Parliamentary Committee of the Congress met the Prime Minister and laid before him the resolutions of the Congress, and it was highly significant that had the Prime Minister not reminded them of it just as they were about to leave after a very amicable interview not a word would have been said about the terrible declaration which had so fluttered the newspapers. The passage is worth full quotation :

THE PRIME MINISTER : I am bound to say one word before you conclude. I think it will be only fair to say I am bound to take note of the fact that there was an indication that British Labour would take action of its own, which is an unconstitutional thing. I regret that very deeply. I think that cuts very deeply in a democratic country where the suffrage is universal, because once that begins there is no saying where it will end. I do not want to make an Ireland of this country.

MR. THOMAS : All I have to say is this : You will agree I studiously refrained from *introducing a controversial subject*, the reason being that that was the Ways and Means resolution, not the resolution itself. I thought we were not discussing Ways and Means at the moment.

THE PRIME MINISTER : I was bound to take notice of that.

So far, therefore, as this interview with the Government was concerned, the bludgeon was left in the cupboard. More significant still was the fact that the speeches at the interview went far beyond the mere question of the shipment of troops and munitions to Ireland and turned almost wholly on the possibility of finding a means of reconciliation between Sinn Fein and the Government. The Government were not even asked to withdraw "the Army from Ireland" or to "cease the production of munitions for use against Ireland or Russia" (the terms of the demands in the second resolution of the Congress), and the Government, therefore, had no chance of refusing these demands. The recommendation for a "general down tools policy," consequently, did not become operative. The Parliamentary Committee left Downing Street with the avowed intention of consulting the Irish Labour movement and

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returning at some later date for a further interview with the Prime Minister. The consultation with Irish trade unionists has taken place, but so far without any result except the underlining of Sinn Fein's programme of an independent Republic, a programme which the Prime Minister explicitly ruled out as "undiscussable."

So far as Russia is concerned, however, a good deal has happened since the interview with the Prime Minister took place. For the position of Poland quickly grew desperate, and as her helpless plight became more obvious with every day that passed, Labour people showed an increasing tendency, if not to modify their original position, at all events to pay attention to a side of the problem which was naturally more in the background while the Poles still seemed to have some chance of successfully defending themselves. The threat of direct action against the Government still remained, and the folly of the Poles in attacking their powerful neighbour was condemned in as strong language as ever. The desire for peace with the Soviet Government was also as keen as ever it had been. Emphasis was indeed laid on these points more than once early in August by the official or unofficial representatives of Labour. Thus Mr. Arthur Henderson wired on August 6 to the secretary of every local Labour party in the country urging demonstrations against intervention against Russia. On the next day a protest against war with Russia, signed by a group of Labour members of Parliament, was issued to the British nation in which the view was expressed that the workers would be thoroughly justified in refusing to render labour services in a war which was purely in favour of a nation that had attempted conquest and self-aggrandisement. Again, on August 9, at a joint emergency conference of the Parliamentary Committee of the Trades Union Congress, the National Executive of the Labour Party and the Parliamentary Labour Party, a warning was issued to the Government that the whole power of the

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industrial workers would be used to defeat such a war. It was also decided to take steps which would bring about a "down tools," if the Conference should consider it necessary later to call for such a measure, and a special Council of Action was deputed to meet the Prime Minister. But about this time the other side of the question began to take more definite shape in the mind of Labour, for it had become obvious that the independence of Poland was at the mercy of her Bolshevik foes, and, whatever its faults had been, the extinction of a free nation would be opposed to the fundamental principles for which British Labour had always stood. A more responsible attitude had, indeed, shown itself, even before the "Council of Action" met the Prime Minister, for at the session of the Second International at Geneva, on August 6, Mr. J. H. Thomas, while he made it clear that the British were opposed to intervention in Russia, added, according to the newspaper report, that they would also hinder the Bolsheviks from profiting from the present situation to the detriment of other nations.

At the meeting between the Council of Action and the Prime Minister, which took place on August 9, language of a menacing character was, no doubt, used by the deputation. But the main result of the discussion was to show that on the point of principle involved Labour was at one with the Government, and, indeed, with the majority of the people of this country. "We are all," as the Prime Minister said during the interview, "for peace," and Mr. Bevin, the spokesman of the deputation, definitely stated that Labour had always stood for an independent Poland. The only thing between Mr. Lloyd George and the deputation seemed, indeed, to be suspicion, and Mr. Bevin was unwilling to believe, after the public declarations from Russia, that the independence of Poland was really at stake.

In the debate in the House of Commons on the same day it was made even clearer by Mr. Clynes that there was no

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substantial difference in the matter of principle. "If," he said, "he could speak for members on his own side, he would say that if Polish nationality or independence were seriously menaced, they would have to consider their position. They recognised that the independence of the Polish nation was essential to the continued peace of the world." He went on, however, to express his conviction, just as Mr. Bevin had done, that Polish independence would be left unimpaired by the Bolshevik conditions.

The real difference between Labour and the Government lay, indeed, in the attitude which each of them showed towards the declarations of the Soviet Government. For while Labour professed complete trust in its good intentions the Government attitude was one of reserve.

A couple of days after the debate in the House a further step was taken by Labour, whose suspicions were stirred up afresh by the announcement in the Press the day after Mr. Lloyd George's speech in Parliament, that General Wrangel had been officially recognised by France. In order to make sure that its policy was carried through Labour immediately called a special Conference which met at Westminster on August 13. Six hundred and eighty-nine delegates from trade unions and 355 from Labour Councils attended and the following resolutions were unanimously carried :—

That this Conference of Trade Union and Labour representatives hails with satisfaction the Russian Government's declaration in favour of the complete independence of Poland as set forth in their Peace Terms to Poland, and, realising the gravity of the international situation, pledges itself to resist any and every form of military and naval intervention against the Soviet Government of Russia.

It accordingly instructs the Council of Action to remain in being until they have secured :—

(1) An absolute guarantee that the armed forces of Great Britain shall not be used in support of Poland, Baron Wrangel, or any other military or naval effort against the Soviet Government.

(2) The withdrawal of all British naval forces operating directly or indirectly as a blockading influence against Russia.

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(3) The recognition of the Russian Soviet Government and the establishment of unrestricted trading and commercial relationships between Great Britain and Russia.

This Conference further refuses to be associated with any Alliance between Great Britain and France or any other country which commits us to any support of Wrangel, Poland, or the supply of munitions or other war material for any form of attack upon Soviet Russia.

The Conference authorises the Council of Action to call for any and every form of withdrawal of labour which circumstances may require to give effect to the foregoing policy, and calls upon every trade union official, executive committee, local council of action, and the membership in general to act swiftly, loyally, and courageously in order to sweep away secret bargaining and diplomacy and to assure that the foreign policy of Great Britain may be in accord with the well-known desires of the people for an end to war and the interminable threats of war.

The actual instructions to the Council of Action must clearly be read in the light of the introductory expression of satisfaction at the Russian Government's declaration in favour of the complete independence of Poland. Labour obviously still stands for this principle as much as the Prime Minister does. The speeches at the Conference, too, make that clear. If the Bolshevik deeds correspond with their words on this occasion, the British Government will be just as pleased as Labour, and certainly there could in that event be no question of a general strike over the Russo-Polish war. One of the London newspapers, a Liberal organ, remarks indeed with reference to the Labour resolutions generally, that "We are faced perhaps for the first time in the history of the Labour movement with a categorical threat of direct action not in antagonism to the declared policy of the Government of the day but in support of it."

Another newspaper compares the attitude of the Conference to that of a mob of excited passengers shouting to the man at the wheel who is steering them out between two dangers where they see only one.

But if the Council of Action should decide to pass the

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word for a general strike, that is not the end of the matter. The constitutions of Trade Unions differ widely in respect of the initiation of a strike. In some cases where the authority is highly centralised (the railwaymen's union for example), the Executive can call a strike without consulting the rank and file, though even in such cases the Executive usually prefers to make sure of its ground by consulting delegate meetings. In other cases (notably, the Miners' Federation) the rules require a ballot of the full membership and a two-thirds majority for action. Thus before a general strike could begin it would be necessary for the strike machinery of each separate trade union to be set in motion with a view to a simultaneous stoppage of work, provided the rank and file agreed, on a given day. The event alone will show whether direct action is to be invoked, but it is clear that apart from any question of unwillingness on the part of individual unions, it would take some time before it was in full operation.

In the meantime the newly constituted Council of Action is advising Labour bodies throughout the country to take steps to establish local Councils of Action.

What then is the real importance of the decision of the Labour Conference if the Government is already on the road that Labour would have it tread? The measure proposed was referred to by Mr. J. H. Thomas at the meeting as both desperate and dangerous, though he considered it justified by the character of the disease. Giving effect to the resolution about the Council of Action meant, in his opinion, no mere strike, but nothing less than "a challenge to the Constitution of the country."

The Washington correspondent of *The Times* says that the generality of American observers refuse to see in the rejection by British Labour of the idea of war with Russia anything more sinister than a common sense Anglo-Saxon determination to avoid at almost all cost more war.

Whatever the practical effect of the resolutions may be and whether or not they result in a general strike, they

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are undoubtedly symptomatic of one of the fundamental problems of our political life. The question of how the organised power of Labour is to fit in with a parliamentary system has still to be answered.

III. THE INTERNATIONAL MOVEMENT FOR REVOLUTION

THERE has been so much loose talk lately about international underground plots that it may be well to attempt an impartial estimate in THE ROUND TABLE of the present position of the international movement. A year ago the foundations of every civilised State were trembling; cracks began to develop in the walls of some of them, and not one was left entirely untouched by the earthquake of the war. The maximum of seismic disturbance came in the six months following the armistice. On the very day of the armistice Switzerland and Holland narrowly escaped a revolutionary rising; Hungary went under for five months; Russia had already crumbled away in a cloud of dust. It was natural that a world-wide Power such as the British Empire should suffer damage to her out-buildings after her main structure had begun to settle down after the shock, and thus we have at this moment an India and an Egypt discontented with their form of government and an Ireland in which the semblance of government can only be maintained by a show of force.

If there were any international movement at all it could scarcely be indifferent to these obvious openings for fomenting trouble, but about the international movement, unfortunately, there is much untidy thinking. Quite a number of sane people, impressed by the fact that a majority of the Commissaries in the Soviet Governments of Russia and Hungary were Jews, have jumped to the conclusion that the whole of the world unrest is a Semitic conspiracy. They point to the *Protocols of the Wise*

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Men of Zion, an anti-Semitic work by Serge Nilus, which was first published in the year 1905, and has gone through subsequent editions, of which the last was in 1917; there is a copy of the work in the British Museum and a defective translation of it has lately been published under the title of *The Jewish Peril*. It would not require much experience of sifting evidence to show the protocols to be an anti-Semitic forgery. Nilus's only authority for them is a lady whose name he has forgotten, who gave them to a friend who cannot now be traced, and who could give no account of how they came into her possession. Even with this doubtful parentage the documents might be authentic, if it could be supposed that any body of men so cautious as international financiers would solemnly meet together and set down in writing a deliberate plan for seizing the domination of the world; for, taking the human population of the globe at about 1,500 millions and the Jewish population at, say, under 30 millions, before one could convert the *goyas* (Gentiles) into hewers of wood and drawers of water for the Chosen People, it would be necessary for a good many persons to be taken into the confidence of the conspirators, and then the conspiracy would have leaked out. It is usual, when faking a prophecy, to do the literary part of it after the event, because then it must come true, and the *Protocols of the Wise Men of Zion* are therefore original in that they appeared before the event, and have partly come true—which is more than can be said of most political forecasts. A handful of Jews did in fact rule Hungary for five months, and do in fact rule Russia to-day. But they could not, even if they would, impose their yoke upon the *goyas* in such countries as America, France or England for an hour. If you were to have an upheaval of the magnitude of the Russian Revolution in such a place as Russia, it was natural that the Jews of education, energy and determination should bubble up to the top, and in Hungary, where the Jews owned 98 per cent. of the capital of the country, it was inevitable. It is even possible that

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devout Jews in other countries may have been startled into the belief that the success of their co-religionists was in the nature of the fulfilment of prophecy, and may have secretly subscribed money to their cause ; but it is equally true that the particular Jews who form these oligarchies have cut themselves adrift from their religion, and that vast numbers of other Jews are groaning under their tyranny and would be glad to take a hand in dethroning them. If there had never been the Bolshevist *coup de théâtre* there would have been no "Third International," and without the Third International as a rallying point for all the subversive elements in every country, the advocates of violent revolution would have found some other cause to champion. But the Third International gives them just the kind of stimulus that they need, for the first plank in its platform is the destruction of "Capital," and the second is the "Dictatorship of the Proletariat." As Mr. Bertrand Russell has pointed out, when the Third International speaks of the "proletariat" it has a special meaning : it means the dictatorship of the Communists, who are in all countries at present a very small minority.

A Labour Member in England suggested the other day that the best method of dealing with foreign propaganda was to admit as many propagandists as applied to come to this country. That, no doubt, is superficially true : the Englishman thinks he can manage his affairs for himself without advice from foreigners, and the propagandist runs a fair chance of having his own conviction shaken by what he sees in England. But the real mischief arises when money is brought in. Most of the subversive bodies in England are financially living from hand to mouth ; before the international movement really set in they had to trust entirely to local subscribers for their funds, and until the Russian Commissars turned foreign revolutionary propaganda into a fine art there was no other hand to which they could look to feed them. Now hungry eyes are fixed upon Moscow. One after another all our revolution-

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mongers slip off, either as stowaways or labour delegates, in the hope that a smooth tongue may prevail upon Lenin's almoner ; and as long as the Bolshevik oligarchy in Moscow continues to believe that it may achieve world-revolution, this movement will continue, unless Bolshevik funds begin to run dry.

Let us look a little further into the effect of this. A few weeks ago two Communist Parties were formed in England ; one, organised by Miss Sylvia Pankhurst, will probably be short-lived, the other, engineered by Albert Inkpin and others, may survive. The former of the two is issuing instructions to its branches to make every effort to undermine the authority of the official Labour leaders by sending propagandist agents into the workshops in order that the rank and file may be in a position to organise strikes behind the back of their official leaders. In other words, they seek to create anarchy in the trade unions as a preliminary to anarchy everywhere.

Nevertheless, the extremists in all countries have certainly had a set-back. In the early days of the Communist regime, when trustworthy news from Russia was difficult to get, and the newspapers were full of Bolshevik atrocities—so full that a reaction had set in and people had begun to think either that they were inventions or that there were atrocities on both sides—violent denunciations of representative government were listened to with toleration, if not with approval. But it soon became evident that all was not well with Russia and the Communists. The returning prisoners had seen it all with their own eyes, and, if the atrocities were exaggerated, the state of destitution and disorganisation in Russia certainly was not. The Communists themselves admitted that their transport had broken down ; that the population of their great cities was in dire want of food and fuel which the peasants who had them refused to give up ; and that, unless the blockade could be lifted, even their own power was doomed and Russia must slip back into the morass of anarchy. If the

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"Dictatorship of the Proletariat" was to produce this kind of result, some better panacea than the Third International must be found for the ailments of civilisation, for it was evident that a re-distribution of the world's goods by a Communist Oligarchy resulted in the goods taking wing and disappearing altogether. Instead of raising the standard of comfort of the "have-nots," they had succeeded only in beggaring the whole nation except the small Communist oligarchy which looks after itself.

And so we have seen a succession of Trade Union Congresses and Conferences at which "Direct Action" for political purposes has been "turned down," and if the conference last June produced a card vote in favour of "Direct Action" in respect of Ireland and Russia, it was only a vote in favour of referring the proposal for a strike back to the individual unions. Moreover, the inherent tendency of extreme bodies to quarrel among themselves, because some are not as extreme as others and neither will compromise, has done much to discredit the Third International in France, America and England. For extremists do not mince their words, and when they fall out they are apt to call one another by epithets which are not easily forgiven.

But while the influence of revolutionary bodies has been declining practically in all countries—in Italy because the Popular Party is supplanting the Socialists and is under Church influence; in Switzerland and Holland because the lower middle class have come forward in support of stability; in France because the people have got to work on reconstructing their country and are impatient of revolutionary talk; in England and America because the vast majority of working men are opposed to violent experiments—international intrigue has received an impetus. There have been secret meetings of the Third International in Holland and in Norway, the latter during the last week in June. International organisers have been flitting to and fro, now in Germany, now in Russia and Scandinavia, on every kind of pretext except the right one—irresistibly

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attracted to Moscow by the hope of bringing back funds to put new life into their movements at home. There has been portentous talk about a universal rising against "Capital" on a date which is being constantly postponed—it was to have been last March, then May Day, then June 12, and now the date has become more nebulous, though it is hoped to do something in September.

There are signs, however, that the fountain of gold for propaganda, which used to spout in Russia, is running dry. The Communists are becoming a little wiser. The large sums they gave to the Communists in Germany resulted in breaking up such organisation as there was, because some of the Comrades retired from the Party with their plunder, and others left it because they did not get what they thought was their proper share. Moreover, precious stones, of which there still seems to be a large reserve, are reported to be now unsaleable at a fair value, and gold is not very easily transported. One of the difficulties recently encountered by the Russian Trading Delegation in London was the number of Communist well-wishers who called to beg from it. There are one or two British extremists who are in Moscow now on the same errand, and, with the pressing need of paying for supplies on a vast scale, the Soviet Government intends for the future to get value for its money. It may finance one or two extreme newspapers who write in support of the Third International, but it will not furnish negligible little Communist organisations with unlimited money, though it regards benevolently the parties who are engaged in warfare against the capitalist states. Thus Mustapha Kemal signs himself "Pan-Islamist and Communist," as if the oil and water of East and West would ever mix; thus the son of James Connolly, as secret envoy for Sinn Fein, is smuggled to Moscow; thus Indian and Egyptian revolutionists are busy taking lessons in propaganda from Jewish Communists; thus the Ethiopian movement in South Africa secretly draws its inspiration from the Black States in America. A state of unrest is

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everyone's opportunity. When you had the coloured races fighting side by side on terms of equality with the white, how could you expect them quietly to return to servile conditions ?

The more thinking of the Communists believe that Western democracy has had its day. It is characteristic of the Russian brand to denounce moderate Labour more violently even than it denounces Capitalists, as being traitors to their class ; but this, one feels confident, is a passing phase. There have been many attempts at Communism on a small scale as well as on a large that have failed, and the present state of Russia makes it more than probable that Communism, in so far as it exists at all, must fail again. If the world has grown too sophisticated for Empire, it is too democratic for Communism. Lenin himself is said to have defined the Communist regime as 1 per cent. idealists, 39 per cent. Jewish rogues, and 60 per cent. Russian fools. Now Communism in Russia may fail from one of two causes : either it may follow the example of the French Revolution and receive its death-blow from the dictatorship of a First Consul, or it may yield to the influences of international trade by forsaking its own doctrines. Whether it falls during the coming winter or survives in a form that is only Communism in name for a time, will not greatly affect the destiny of the world. One has seen so often during these years a movement fraught with menace boil up and threaten the existence of the British nation. There were always pessimists to wag their heads and predict disaster—ninety years ago it was Reform ; eighty years ago it was the Chartists ; forty years ago it was the Russian march on India ; and so on through the decades. But the nation that possesses its own soul can afford to smile at such false prophets. It has been the cardinal mistake of our rulers in the past to conceal unpleasant truths ; when will they realise that when the Englishman, and especially the English working man, knows and understands the whole truth, he

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can be trusted to take a sane and even a sagacious view ? In this country the people have nearly always been wiser than their rulers.

IV. THE SITUATION IN IRELAND

THE war in Ireland, for such it is, still continues. Each of the three parties to the struggle during the past three months has consolidated its position. The Sinn Feiners—or at any rate the secret inner ring—have brought to still greater perfection the methods by which they are attempting to destroy the police and other governmental organisations, by murder and assassination. At the same time, in districts where they have been successful in establishing their authority, they have set up courts and are administering justice to the apparent satisfaction of the locality. The Ulstermen have recalled the Ulster Volunteer organisation into active life and are prepared if necessary to take over the defence of their own area. The British Government on its side has greatly strengthened the efficiency of the Irish administrative system, and by liberalising its administrative policy has avoided some of the ill-judged actions of the previous regime. At the moment a deadlock seems to have been reached. The Castle government is unable to reassert its effective authority throughout Ireland, while Sinn Fein is equally unable to establish an Irish republic in Southern Ireland, and still less in Ulster. Meanwhile the condition of the Irish people grows steadily worse. Terrorism is on the increase, if that were possible, and recent developments have begun to destroy the working of the railways and so to threaten the economic prosperity of Ireland, which up to the present has been exceptionally great.

As a natural result both of the deadlock and the growing tension, attempts at conciliation have been increasingly frequent in the last month or two. While the Home Rule

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Bill has been steadily pressed through the House of Commons, the Prime Minister on three occasions has declared his willingness to meet the representatives of Sinn Fein or any other body which could speak with real authority and discuss a settlement. He laid down two preliminary conditions, and two only. He declared in the first place that he could not discuss any settlement on the basis of the independence of Ireland, and in the second place that Ulster, meaning apparently the inhabitants of the six northern counties, must not be coerced under a Dublin Parliament, but must have a free choice of their own. He based his refusal to discuss secession on the necessity of unity in the defence of the United Kingdom, pointing out that in any new war enemy submarines could bring Great Britain and the British Empire to their knees in a few months if they either had the use of Irish ports, or even if Great Britain could not base its anti-submarine operations upon them. These statements clearly indicate that the British Government is willing to modify the proposals of the Home Rule Bill now before Parliament and negotiate a more liberal settlement with the leaders of Sinn Fein, if they will abandon the idea of an independent republic and will treat with Ulster.

On the other hand there have been no less unmistakable signs that opinion in Ireland is changing. Official Sinn Fein has made no move, except that de Valera, speaking in the United States, spoke of the possibility of a settlement on Cuban lines. But moderate Sinn Fein opinion and moderate Unionist opinion in Ireland has made a decided move towards a settlement on the lines of Dominion Home Rule for Ireland, and it is generally believed that, but for the extremists who control the murder operations, official Sinn Fein is now willing to settle on some such terms. Even in Orange Ulster there are signs of a weakening of the solid refusal to consider common settlement with the South.

But while the real gulf is apparently growing less wide, outrage and turmoil are not diminishing, though there are

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many who believe that it is only after a further period of suffering and violence that public opinion in Ireland will be brought to the point when it will be willing to settle and forget the past.

It is always easy to point out other people's mistakes. But in this case a few observations on the causes of the deadlock may help towards an eventual solution. There is no doubt that Sinn Fein—a perfectly healthy movement in its inception and embodying most of what is most robust and progressive in Irish life, has made two capital mistakes. It surrendered to the passion of hatred to the point of demanding complete secession from England—a course which was bound to meet with an absolute refusal from England and was equally bound to lead to the complete estrangement of Ulster and the partition of Ireland. It further surrendered to those—mostly of foreign extraction who had other axes to grind—who insisted on using the weapons of murder and assassination, thereby alienating from Sinn Fein the sympathy both of the outside world and of Liberal and Labour opinion in England. These mistakes have played straight into the hands of the Ulster extremists, who had only to sit tight and refuse to be coerced into union with Sinn Fein, in order to block the way to any agreed settlement. This they have done, making no sort of advance towards a reconciliation with their brethren in the South, and accepting the Government Home Rule Act only because it seemed to guarantee their perpetual separation from the rest of Ireland. Finally, the British Government endeavoured to settle the Irish problem without the consent and co-operation of the Irish people. It produced a Bill, honestly meant, fair in its proposals, and probably better thought out than any of its predecessors. But the natural pride of Irishmen rejected, without examination, a Bill which Englishmen thought good enough for Irishmen, but in the framing of which the elected representatives of Ireland had had no part.

But while the sky is still overcast the events of the last

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few months seem to point to a real settlement before very long. Great Britain must be willing to negotiate a settlement with Sinn Fein face to face, and to attempt to enact for Ireland nothing that is not accepted by its representatives in the final agreement. Sinn Fein must be willing to accept membership of the British Empire, and the unity of the United Kingdom for a few vital purposes such as defence and foreign affairs, and must on its side discuss a settlement with Ulster, Ulster also being a free and equal party in the negotiations. And Ulster must abandon its refusal to join the South, and in return for, say, local autonomy and a settlement which in some way retains the unity of the Empire and of the three kingdoms, must accept membership of an all-Irish Parliament. Such concessions on each side do not seem impossible. Let us hope they will soon be made.

London. August, 1920.

CANADA

I. SIR ROBERT BORDEN'S RESIGNATION

AS was expected by all those who had knowledge of the actual situation at Ottawa, Sir Robert Borden has resigned the office of Prime Minister and Mr. Arthur Meighen, of Manitoba, succeeds to the Premiership and the leadership of the Coalition. Until the last, however, there was doubt whether or not Sir Robert would resign and whether or not Mr. Meighen would be his successor. If his health had permitted, Sir Robert would have gone to the country again as leader of the Government. But while his rest in the south was beneficial he was made to understand by his physicians that he had not regained, and possibly could not regain, the measure of strength necessary to lead Parliament and conduct an aggressive campaign in the constituencies. It is understood, however, that he has an adequate reserve of physical strength for many years to come if he lives leisurely and is content to do one man's work.

It is too soon to attempt to fix Sir Robert Borden's definite place in history. There were those who said he was dull and many who said he was vacillating and indecisive. But there was often method in his indecision, and he proved again and again that by calculated delay many vexing problems settled themselves. He was, however, the despair of more impulsive and more aggressive colleagues. For example, in 1915 and again in 1916 a majority of the Cabinet

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had determined to have a dissolution of Parliament and a general election. It seemed that he also was in favour of an appeal to the constituencies. Indeed, in 1916 all the preparations for a contest were completed and the Conservative Press throughout the country had actually begun the campaign. But there was vigorous protest by the Liberal newspapers and by many commercial and patriotic organisations against a war election, and at the very last moment Borden decided that the writ should not issue.

Sir Wilfrid Laurier declared that he would not attempt to open the door of office with "a bloody key," but it is now stated that Laurier himself believed the life of Parliament should not be extended and yielded reluctantly to the contrary judgment of the Liberal caucus. Laurier, however, was seldom indecisive and it is not easy to believe that he ever submitted to caucus against his own judgment. In finally deciding against a dissolution of Parliament Borden was perhaps wiser than those of his colleagues who believed the Government would triumph in a war election and with a fresh mandate from the people could prosecute the war with greater vigour. If the Government had been sustained in a general election it is certain that no coalition between Liberal and Conservative leaders would have been effected, and the confusion of parties, which was a necessary result of the coalition, would not have been produced.

It is said that Sir Robert should have sought to effect a coalition with Laurier when the war began and that at that time Laurier would have agreed. It may be so—although neither the political leaders nor the people seemed to have any thought of a Union Cabinet until the system of voluntary recruiting began to fail and greater unity of national war effort became imperative. When Borden did decide to attempt a coalition he acted with vigour and purpose and exhibited remarkable patience and tenacity. He was greatly distressed over Laurier's rejection of his advances, although never very hopeful that the proposal for a coalition would be accepted. Again and again, too,

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Borden was rebuffed by Liberal conscriptionists, and it is no secret that the negotiations finally succeeded when Borden himself had practically abandoned all hope of success in the very difficult enterprise in which he was engaged. It is true also that he did not insist upon retention of the leadership as a condition of coalition and that there was a formidable element in the Conservative party which would have rejoiced if the effort to establish a Union Cabinet had ended in failure. Whether or not Borden was slow and indecisive, it is certain that he put all his strength and all his soul into the war. Nothing that he could do to inspire the country to exertion and sacrifice was neglected. Throughout the long struggle he never faltered nor hesitated, and it is only just to say that his name must be read on every chapter of the history of Canada in the war and that he has an honourable and enduring relation to all that was attempted and all that was achieved.

Borden never seemed to get close to the people. The high respect in which he was held seldom softened into affection. He had the confidence of the Conservative party, but inspired little enthusiasm in the constituencies. Trained in the Courts, he seldom got away from the legal atmosphere. Moreover he seemed to see the judge rather than the jury. On the platform he was cold and judicial, not unimpressive, but seldom intimate or persuasive. In Parliament, however, he was commanding, powerful and effective. If he had less personal attraction than Sir Wilfrid Laurier, he had equal authority and a balance and solidity which Laurier did not always reveal. It must also be said for Borden that there is less electoral and less administrative corruption in Canada than when he took office nine years ago. Even during the war there was far less waste than might have been expected, and very little jobbery in contracts has been exposed. If the evils of patronage have not been extirpated they have been greatly reduced. In senatorial and judicial appointments partisan considerations are as influential as ever, but it cannot be

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doubted that during the last years of the Laurier Administration and throughout Borden's whole term of office political methods and administrative practices in Canada steadily improved.

In political outlook Borden was a Liberal. He may not have thought so, but the evidence is conclusive. Some such suspicion was always present in the minds of the old Conservative element. He was a protectionist, but all public men in Canada are protectionists in office. Moreover, adhesion to free trade does not make a Liberal nor is a protectionist necessarily a Conservative. Under Borden an extensive national railway system was acquired and titles were abolished. These are not the fruits of Toryism. It must be said, however, that he never gave his assent to the abolition of titles. If he was an Imperialist he was also a Nationalist. He was as resolute as Laurier could have been in asserting the equal status of Canada in the Empire, but his whole object and his continuous purpose was to reconcile Canadian autonomy with Imperial sovereignty and to strengthen the foundations of the Imperial Commonwealth. He was discreet and judicial in his attitude towards all questions which affected international relations, and few men who have held office in Canada had such wide and accurate knowledge of British constitutional history and of the perplexities and complexities of British relations with other countries. It was sometimes said in reproach that he was an Imperial rather than a Canadian statesman and that he gave his mind to world affairs to the neglect of the domestic problems of Canada. Whatever his faults or virtues his name will endure in a great chapter of Canadian history, and he has earned the rest which he is taking, reluctantly or otherwise one does not know, but compulsorily through the failure of physical strength in the service of Canada and the Empire.

Many newspapers have friendly references to Sir Robert Borden, but much of what is said seems to suggest that his

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career ended two or three years ago. In a sense, through long absences in London during the war, through his attendance at the Paris Conference and through his subsequent illness he lost touch with Canada. He never was the actual parliamentary leader of the Union Cabinet which he created. Nor was he for any long or any continuous period the actual floor leader of the House of Commons which was elected nearly three years ago. A feeling exists in the country that the Government has suffered in reputation, and that it has been indefinite in policy and uncertain in action because of Borden's long absences in Europe. Possibly there is some ground for such criticism, but the blame lies not with Borden but with conditions and circumstances over which he had no control. It was imperative that the Prime Minister of Canada should be often in London during the war and that he should be at Paris during the Peace negotiations. He would have come under general censure if he had neglected high Imperial and international duties in excessive concern for personal and party interests in Canada. There has been, indeed, a flavour of injustice in much of the criticism to which Borden has been subjected, and one feels that his services at the Paris Conference have had somewhat grudging recognition in his own country.

The Toronto Mail and Empire, however, declares that Borden "served Canada in the decade of its history most crowded with great events and he goes out of office with the greatest reputation ever made by a Canadian statesman." This journal particularly emphasises his leadership in the campaign against trade reciprocity with the United States, his emergency naval programme, his resolute, persistent determination to have all the country's strength put into the war and his organisation of the Union Government.

The Toronto Globe says :—

It is somewhat tragic that a Premier who a few months ago could have retired from office with the assurance of an important place in the history of Canadian achievement now resigns with the know-

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ledge that the only other alternative left him is hopeless defeat at the polls. But it may be a lesson to those who come after him. The safe, the wise, and the right course for public representatives is to trust the people.

Sir Robert Borden for many years has been a prominent figure in Canada's Parliament. For ten years he was Leader of the Conservative Opposition in the House of Commons. For nine years he has been Premier of the Dominion. His name will be associated with the political annals of this country during the period of its most stressful and heroic history. His greatest achievement came at the darkest hour. The outstanding event of his career was the bringing about of a union of men of both political parties to raise reinforcements for the Canadian fighting forces in the field and the creation of a Coalition Government to carry out that patriotic purpose. It was at this momentous time that Canada's Premier measured his real stature.

His resignation comes now in a period of chaos. Whether or not the man chosen to succeed him will try to continue the futile policy of clinging to office in defiance of the public will remains to be seen. Sooner or later the electors will have their say. The pity of it is that Sir Robert retires after a long period of public service, having forfeited so much of the confidence of his fellow-citizens and leaving the party of which he was the Leader to face swift and certain disaster at the hands of the electors of Canada.

The Montreal Daily Star says :—

The war and the terrible responsibilities that it brought to Canada created for Sir Robert Borden a burden of work that would have strained the physical and mental endurance of any man, however robust. Sir Robert during these days of severe trial bore the brunt as heroically as the best of our soldiers on the battlefields. He never for one moment wavered in his duty. Whether his duty to the country and to the Empire was to bring prestige to him or to his Government gave him no concern. His duty to the Allies was his guide and mentor. He retires with a record for honesty of purpose and loyalty to the best interests of Canada and the Empire. He will go down in history as a great Canadian, whose health was broken by the war that almost broke the world.

But even in the hour of Borden's withdrawal the Liberal and Nationalist Press of Quebec is unforgiving and unrelenting. *Le Canada* of Montreal says "it is justice to

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recognise his personal qualities, but his regime will remain synonymous in the popular mind with autocracy and ruin." According to *Le Soleil* of Quebec, "This resignation, foreseen for months, is but the culminating point of a nefarious regime." It was Borden's fortune shortly after he became leader of the Conservative party to oppose the Autonomy Acts which gave provincial constitutions to Alberta and Saskatchewan with a guarantee of Separate Schools for the religious minority, and the estrangement from Quebec which this action produced never was overcome. There is no doubt that he greatly desired the goodwill of Quebec, and though confidence and support were steadily and resolutely withheld he never made an ungenerous reference to the French Province. The truth is that against Laurier no English-speaking leader could hope to secure a majority in the French constituencies.

II. THE NEW PRIME MINISTER

MR. MEIGHEN has succeeded to a doubtful and difficult inheritance. But he has energy, ability and insatiate industry. There is no better debater in the House of Commons. He is singularly alert in defence and, perhaps, too destructive in attack. Physically unlike Mr. Joseph Chamberlain, he has many of the qualities which Chamberlain possessed. Positive, incisive and courageous, clear and luminous in statement, and with an easy command of scholarly English, he is formidable in Parliament and impressive on the platform. Although only forty-five years of age no one can question his high qualifications for the great task to which he has set himself or feel that by his elevation the office of Prime Minister loses any of its distinction and authority. It is true that he has proved himself only in Parliament. Whether or not he can manage men and create and control situations has to be determined. But the presumption is in his favour, for he has been invin-

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cible in his own constituency, and, although he has been regarded as a strong Conservative partisan, it is believed that he will hold the bulk of the Liberal Unionists in Parliament.

It may be said that Mr. Meighen was not the first choice of the Unionists for the Premiership, but there are reasons why Sir Thomas White was peculiarly acceptable in the existing situation in Canada. There were formidable influences in Quebec which sought to effect a coalition between White and Sir Lomer Gouin. Although Gouin is a Liberal he is also a protectionist, and White was a Liberal before he entered the Borden Government. Moreover, Meighen was regarded as a stronger partisan than White and was less acceptable to the Liberal Unionists in the Cabinet. There is reason to think that Mr. Rowell would have remained in the Government if White could have been induced to accept the Premiership. Indeed the Cabinet was united for White in the conviction that he would bring a greater measure of Liberal support to the Coalition and have the active sympathy of powerful interests in Montreal which were not very friendly to Borden and regarded Meighen as too faithful to the Borden tradition. Again and again in Parliament Mr. Meighen was chief counsel for the Borden Government. He was its most effective spokesman in defence of the Naval Aid Bill, the Military Service Act, the War Franchise Act, and the purchase of the Grand Trunk Railway, and none of these measures was popular in Quebec. They all had White's unequivocal support, but since he gave his attention peculiarly to finance he was less involved in successive parliamentary struggles than Meighen and perhaps less aggressive in general defence of the Borden regime. All possible pressure was exerted to induce White to take the Premiership. Even the Duke of Devonshire at Borden's request made a personal appeal to White to undertake the formation of a Government. But he was immovable in his determination to remain out of office, and while he will

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hold his seat until the present Parliament is dissolved it is doubtful if he will be a candidate in the next general election.

The country was not looking for Mr. Rowell's withdrawal from office. He was very influential in the Union Cabinet and although distrusted for a time by the extreme Conservative element in the constituencies and the object of bitter and continuous attack by an irreconcilable wing of the Liberal Party, which could not forgive his desertion of Laurier on the issue of conscription, he had secured the regard and the goodwill of Parliament and perhaps no member of the Union Government had a greater personal following in the country. As an administrator he had great industry and sound judgment. In debate he was alert and powerful. No other man in the House of Commons save Sir Robert Borden spoke with such authority on Imperial and international questions, and although a Liberal in faith and outlook there is in Canada no more devoted champion of the Imperial connection. Just why Mr. Rowell did not enter the new Government has not been made clear to the country. According to the official statement he took the position that "when a decision had been reached that the work of the Union Government as such was finished, and that a new departure should be made by the creation of a new party and the formation of an administration to represent that party, he might fairly ask an honourable discharge." Mr. Rowell will resume the practice of law in Toronto, but it is not easy to believe that his political career has ended. He has no natural distaste for politics or for office. If he should remain in public life there is no position to which he may not fairly aspire. For the time he will hold his seat in Parliament, but whether he will seek re-election and what will be his attitude towards the Meighen Government is not clear. It is understood that he could have gone to Washington as the representative of Canada, but was unwilling to take the appointment. Undoubtedly the Dominion loses

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greatly by the disappearance of Borden, White and Rowell from the Government, for when all is said there are few men of like distinction and talent in the Canadian Parliament.

The Press is generous in its recognition of Mr. Meighen's high character and great ability. In all that has been said since he took office as Prime Minister there is little of mean depreciation or of angry partisan detraction. The Liberal newspapers, however, profess to believe that the Government will be short-lived and insist that there should be an immediate dissolution of Parliament. *The Toronto Star* says, "The new Premier of Canada is a man of character, resource, industry, ability and courage," but thinks that any Liberal Unionist who follows his leadership must accept a Conservative programme. "But," it adds, "those who sever their connection with him will do so with the utmost respect for the qualities of intellect which have brought him, while yet in his forties, to the position of highest responsibility in the Government of Canada." *The Calgary Leader* describes the new leader as "a man of strong opinions and convictions, with the will and ability to back them up," but thinks there should be a general election in the near future. *The Halifax Herald* declares that "with such a platform and such a leader as Mr. Meighen there should be no reasonable doubt of success, while Canadians remain as they have always been, loyal Canadians and true Britons." *The Regina Post* thinks "Mr. Meighen stands forth clearly as the best man for the Premiership." *The Edmonton Journal* rejoices that he belongs to the West and has "the most unusual combination of youth, proven ability and extended Parliamentary and administrative experience." *The Saskatoon Star* declares that "If ability, integrity, diligence and honesty are the only things to be considered, then Canada has a Premier of the highest standing." *The Saskatoon Phoenix* regards Mr. Meighen as "undoubtedly the logical leader of the reconstructed Conservative party," but describes

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the platform of the party as strictly Conservative and protectionist. *The Lethbridge Herald* says the selection and the honour that goes with it will be welcome to Western Canada. *The Vancouver Sun* thinks there was no other choice possible that would have been so good. In contrast with many western opinions is the estimate of *The Regina Leader*, the chief organ of the Liberal party in Saskatchewan, which says :—

The new Premier is a Tory of the old Family Compact type. He believes in the divine right of kings and autocrats to govern, and scarcely conceals his contempt for all movements calculated to broaden the scope of democratic institutions of government—in a word, he is an aristocrat living in the age of democracy. It is one of the absurdities of the present political situation in Canada that at such a time as this a man of this type should be entrusted with the direction of our national government.

The Montreal Gazette, which perhaps speaks more directly for the financial interests of Canada than any other journal, and is the very effective ally of the Government if never the subservient organ of any party, declares :—

The new Premier has been acclaimed for his abilities, his integrity, his industry, his force of character, his persistence. To him great honour, power and responsibility have been given, and from him much is expected. He is surrounded by many men of ripe experience and proved capacity, who no longer need be palsied by uncertainty of party affiliation, and from whom he may demand loyal, unflagging, earnest co-operation in keeping Canada on safe lines of ordered progress by constructive legislation and social laws national in scope and character.

The Montreal Star points out that Mr. Meighen accepts the leadership of a disintegrated party at a critical time in the history of the country. It says that he is young, energetic and courageous and should be willing to shape his course to deserve well of his country. But it recognises that he has a difficult task and that he will be tested to the uttermost.

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There will be (*The Star* says) some strange developments in Canadian politics in the near future. Before our harvests are garnered some startling announcements may be expected, because the work of evolution, though only begun, is maturing fast, and there is no politician to-day, there is, in fact, no party existent to-day that for one moment feels that it is standing on a solid foundation. It is a time of flux. We need big men, careful men, men of sense and courage and tact, who will be willing to forget the ties of partisanship, and who will devote themselves to the work of saving the country from the peril that threatens.

The Toronto Globe, which has again become the chief mouthpiece of the Liberal party, regards Mr. Meighen as an uncompromising Tory and protectionist, and professes to believe that Liberal Unionists cannot accept his leadership. It says: "Whether he will be able to resist the tendency to embitter political life by scattering about the flouts and jeers of which he is a master remains to be seen. Responsibility may lessen pugnacity, and increasing years may ripen a disposition that has more than its share of acidity." *The Winnipeg Free Press* admits that there is a feeling of gratification in the West because Mr. Meighen has been chosen for the Premiership and agrees that he has energy, ability and integrity, but believes that he "lacks the political instinct necessary to leadership." It adds:—

Mr. Meighen labours under the handicap of being very generally regarded as a man who in his outlook and sympathies is Tory; who is vehement in the expression of his views and not given to compromise. The National Liberal and Conservative party need not look forward to the future with much hopefulness if it is merely the old Conservative party in a new dress and with a slight infusion of Liberal blood. There are in reality not enough Tories left in Canada to make any impression in the ballot boxes; and if the new party is to play a commanding or leading part in the country's politics it must, in fact, profess and apply the principles of moderate Liberalism.

Quebec, in so far as its feeling is expressed by the French

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newspapers, is as hostile to Meighen as it was to Sir Robert Borden. Mr. Henri Bourassa in *Le Devoir* declares that he represents in his person and temperament, in his attitude and past declarations, "all that Anglo-Saxon jingoism can offer that is most anti-Canadian." *Le Devoir* insists that his appointment excludes the new Ministry from the last chance of recruiting adherents in the Province of Quebec or from among Canadians who are not of Anglo-Saxon origin. It adds, "The position of isolation which it is pretended Quebec occupies is not actual isolation. The majority of the people are to-day lined up with Quebec against the Borden Government, of which the Meighen Cabinet is only the pale, wavering and dying shadow." *Le Soleil* of Quebec describes Mr. Meighen as a political boss, the real dictator under Borden and the champion of conscription, the Grand Trunk purchase and other nefarious policies.

According to *Le Canada*, "Mr. Meighen has been the evil genius of unionism; he demands to-day his unhappy recompense—in other words, a succession to power, lamentable and without a future . . . The refusal of all outsiders to take a part in the new combination indicates clearly that it does not inspire confidence. The nomination of Mr. Meighen is the dirge of the new National Liberal Conservative party." *La Presse* does not complain because Quebec is not represented in the Meighen Cabinet. It thinks it is of small importance that the Province may be regarded as responsible for its own political isolation. According to its view French-Canadians are only upholding their dignity and their principles.

The Montreal Gazette regrets that only one French-Canadian, and he a member of the Senate, has a seat in the new Cabinet, and that in the House of Commons Mr. Meighen has not one French-Canadian supporter. This, however, in the judgment of *The Gazette*, is not Mr. Meighen's fault or offence but his misfortune. It declares that when Quebec elects a French member to support the

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Government it will find a seat awaiting him at the Council Board. *The Gazette* continues :—

It is neither good for the majority in Quebec, nor for the Dominion, that a large proportion of the people have no direct control in the administration of federal affairs, and we are satisfied that no one more keenly shares this view than Hon. Mr. Meighen. The cause of a Quebec solid French block at Ottawa is a by-gone, and only mischief can be wrought by reviving the issue. Eyes should be turned to the future, and the dead past left to bury its dead. Problems of government are arising, indeed, are already at hand, that require to be met, and be met and overcome by combination of moderate men of both races and all sections of the country. French-Canadians have in the past played great parts in the public life of Canada, many of whose most distinguished statesmen have been of that race. They have imbibed the spirit of British parliamentary government, and, by tradition, training and talent, are fitted to fill important places in the government of the country. Sooner or later the isolation of Quebec from adequate share in the direction of federal administration must cease; and it can be ended whenever French-Canadians will to take their part in promoting a National policy under a National Government.

The Toronto Globe describes *The Gazette's* statement as "a shameless bid for support." It argues that, according to *The Gazette's* reasoning, a French-Canadian does not need to have any qualification in order to become a member of the Meighen Government. "In this offer there is no whisper of Union Government, even the old party names, Liberal and Conservative, are passed over, and the plea is to support a National Government—for a consideration. Never has a more insulting and shameless proposition been made in Canadian politics." There is, however, no reason to think that *The Gazette* meant to be either "insulting" or "shameless." No doubt the Government is eager to disarm the hostility of Quebec, and to bridge the differences which the war produced. There is a great and general desire in the English Provinces to have Quebec fairly and fully represented in the Federal Cabinet. In this desire there is surely more of patriotic aspiration than of partisan calculation. It would be singularly unfortunate if the

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racial quarrel should continue through another general election. Unquestionably Mr. Meighen would deplore such a result, and whatever may have been his attitude towards questions which have caused irritation and anger in the French Province, he is not a sectarian bigot and cherishes no personal ill will to French Canadians.

III. PLATFORM OF THE NATIONAL PARTY

BEFORE Sir Robert Borden resigned office the Unionists in caucus adopted a national platform. As was suggested in the last issue of *THE ROUND TABLE*, the name "Unionist" was set aside. It was contended that the name had no natural relation to the elements which would constitute the new party and too completely separated Conservatives and Liberal Unionists from old associations and traditions. At the suggestion, therefore, of Hon. J. A. Calder it was decided to organise as "the National Liberal and Conservative Party." This, after all, is not so very different from "the Liberal-Conservative party," under which name Conservatives have fought their battles since Confederation. In the change of name there is perhaps also a confession that "Unionist" was not of good reputation in the country. Whether the fact was foreseen or not it is already apparent that the name adopted will be abridged to "the National Party," and thus after all "Conservative" is likely to disappear from the political literature of Canada, and it must be added that "Conservative," as suggesting an historical connection with British Toryism, never was popular in the Western Provinces. Groups of Conservatives in Toronto and in a few other communities will endeavour to retain the old name, but since their natural political relation is with the new party they will sooner or later fight under its name as they will fight under its leaders.

The new platform declares for "firm adherence to British connection in full confidence that Canada will find

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its amplest development, usefulness and influence as a member of the Britannic Commonwealth with the status of a self-governing nation." Approval is expressed of Canada's membership in the League of Nations, and it is affirmed that "no treaty, understanding or commitment which may involve the Empire ought to be undertaken except after consultation and by common consent in the common interest." The platform demands "policies that are nation wide in their application or effect and that look toward the growth and development of the whole of Canada and the prosperity and happiness of all its people." It also declares for the maintenance and continued application of the principle of direct taxation in order to increase the national revenue, for amalgamation and unification of railways, expert management and operation of the National Railway System unfettered by partisan political interference, and a proper capitalisation of the national railways; for a Canadian Air Service, reorganisation of the Militia system and restriction of the permanent forces to such establishment as will constitute a nucleus for defence; adequate assistance to enable war veterans to establish themselves satisfactorily in civil life and special consideration for disabled soldiers and the dependents of those who fell in battle; such labour legislation as will carry into effect the ideals and principles embodied in the Treaty of Peace, with due regard to the time and character of similar legislation enacted by other nations; measures to increase agricultural production and improve marketing methods and facilities; co-operation with the Provinces to provide better rural credits and improve social conditions in rural communities; thorough study by competent experts of foreign markets and organised agencies to extend knowledge abroad of the commercial resources and products of Canada; energetic promotion of immigration of desirable classes, with exclusion of mental or physical defectives and assertion of the absolute right of Canada to determine its own immigration policy; transfer

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of the public domain now held by the Federal Government to the Western Provinces ; and development of the canal system to improve navigation and cheapen transportation and provide electric energy for domestic, agricultural, municipal, industrial and railway purposes. But interest in the platform centres chiefly in the clauses defining the Government's fiscal policy, which read as follows :—

A thorough revision of the tariff with a view to the adoption of such reasonable measures as are necessary : (a) to assist in providing adequate revenues, (b) to stabilise legitimate industries, (c) to encourage the establishment of new industries essential to the economic development of the nation, (d) to develop to the fullest extent our natural resources, (e) to prevent the abuse of the tariff for the exploitation of the consumer, and (f) to safeguard the interests of the Canadian people in the existing world struggle for commercial supremacy.

As a means of raising revenue the tariff should be so adjusted as to place the chief burden upon those best able to bear it. Articles of luxury should be heavily taxed through the imposition of customs and excise rates. Food commodities and other necessities of life, not produced or manufactured in Canada, should, if taxed at all, bear only such imposts as are necessary for revenue purposes. Those produced in Canada should be subjected to such customs duties only as may be necessary in the general national interest to be determined after strict investigation from time to time.

Apart from the question of revenue, the tariff should have regard to the maintenance, stability and prosperity of Canadian enterprise in the development of all our natural resources in lands, forests, mines, fisheries—as well as our agricultural and manufacturing industries.

Consideration must also be given to the importance of creating and maintaining conditions that will afford to Canadian industrial workers opportunities for steady and remunerative employment, and maintain proper and decent standards of living among our labouring population. It is undoubtedly in the true interests of Canada as a whole that Canadian workers should not be forced to seek in foreign countries employment and opportunity denied them at home by reason of the export of the natural resources, primary products and raw materials with which the Dominion is so amply endowed.

For the purpose of encouraging the fullest development of our natural resources the tariff should be so adjusted as to permit machinery and the implements of production to be purchased at

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prices that will compare equitably with those paid in other countries for similar articles. The revised tariff law should be so framed and administered as to effectively prevent any customs duty being used to facilitate the formation or maintenance of any combine, trust, association or agreement among manufacturers, dealers or producers for the purpose, at the expense of the general public, of restraining trade, preventing competition or unduly enhancing the selling price of any article of commerce.

The principle of trade preference between the different members of the Britannic Commonwealth should be maintained and extended from time to time to such degree as may be found practicable and consistent with Canadian interests.

While a general revision of the Canadian tariff based upon the foregoing considerations is due, it must be recognised that, owing to the war, economic and commercial conditions the world round have been profoundly disturbed and that, as a consequence, it is neither practicable nor possible in the national or public interest to undertake such revision until a thorough inquiry is made to ascertain the essential facts upon which tariff provisions must necessarily be based.

There is no doubt that in these clauses the principle of protection is embodied. The Liberal newspapers and the organs of the Grain Growers attack the new platform as merely a guarded, evasive, jesuitical declaration for the old Conservative tariff. It is seldom remembered that the existing tariff so far as it relates to manufactures was framed by Mr. Fielding as Minister of Finance in the Laurier Administration. Natural products rather than manufactures were affected by the trade agreement with Washington over which the Laurier Government was defeated. In submitting his amendment to the Budget at the recent session of Parliament, Mr. Fielding was careful to explain that free trade is impossible for Canada. Even Mr. Crerar, the leader of the Grain Growers, agrees that absolute free trade is a goal to be reached in the future. But the industrial interests distrust the professions of Liberals and Farmers alike and will give a very general support to the new party which will carry on the old Conservative fiscal tradition. There is, however, no prospect that protectionist duties will be generally increased

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even by a National Liberal-Conservative Government. Under any government duties will be moderate, and the chances are that when the tariff is revised, as will probably be done before there is a general election, duties in many cases will be made lower than the present schedules.

So the British preference will be retained, and if possible more favourable fiscal relations established with the West India Islands and the other British Dominions.* With Australia particularly there is a desire for more generous preferences, while Canada has always had a strongly sympathetic interest in South Africa. The appeal of the new party in the next election will be peculiarly to national and Imperial considerations. It may be said that this is the method of protectionists everywhere, but it is certain that what has been called "hog protection" will not be conceded, and even the bulk of manufacturers recognise that they can expect only such duties as will give Canadian industries equal competitive conditions with those of other countries.

There is some feeling that the war duties of $7\frac{1}{2}$ per cent. should not have been repealed. They gave a greater preference to British imports, yielded an annual revenue of \$30,000,000 and operated chiefly against imports from the United States. It is estimated that the depreciation of the dollar involves an annual charge upon Canadian purchasers of American manufactures and raw materials of between \$75,000,000 and \$100,000,000. In face of this fact a wing of the Unionists believed that the war duties should have been retained until the rate of exchange had improved. It will be remembered that the 5 per cent. war tax imposed upon British goods was repealed a year ago. Manufacturers, however, made no appeal to have the war duties retained and, indeed, have always insisted

* An agreement between the British West Indies and Canada was in effect made public on August 3, and its terms were summarised in *The Times* in a letter from its correspondent, which is set out in the Appendix.—Ed.

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that it was not at their instance that these duties were imposed.

It is expected that the new luxury taxes imposed by Sir Henry Drayton's first Budget will give a total revenue of \$100,000,000, or, deducting the loss of \$30,000,000 in war duties, a net increase of \$70,000,000. The taxes on sales run from 2 per cent. to 10 per cent. on boots and shoes, clothing, fur coats and robes, women's suits, hats and dresses, trunks, valises, and suit cases and many other articles costing above a fixed amount. The taxes on liquor and cigars were increased, as were also those on incomes and carriage of newspapers and periodicals. And the excess profits taxes were retained. The Government is determined to make income and expenditure balance, and heavy as the new taxes are there is surprisingly little serious or angry protest. The common view is that we must pay for the war and must show the spirit of the soldiers in the trenches. The Budget debate in Parliament turned upon the tariff rather than upon the new taxes. Liberals, Farmers and the New National party are thinking of the next election and still, as has been the case for more than forty years, protection is the chief issue. It is understood that the Government will begin active organisation in the constituencies and squarely challenge the fiscal policy of Farmers and Liberals. *The Toronto Globe* and *The Winnipeg Free Press*, two of the most powerful journals in Canada, which supported the Unionists in the last election, oppose the "moderate protection" to which the Government is committed. *The Globe*, as has been said, is again the chief organ of the Liberal Party; *The Free Press* is giving its support to the fiscal programme of the United Farmers. In a late issue *The Free Press* said:—

What is certain is that the new tariff, which cannot be postponed beyond another session, if it is prepared in conformity with the expressed views of the leading supporters of the Government in the East, will command very little Western support either in or out of Parliament. Unless there is a readiness to make concessions, which

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will in effect transform the present protective tariff into a tariff for revenue, there is bound to be a spill, followed by an election, in which, so far as the West is concerned, the tariff issue will occupy the field, to the total exclusion of all other questions. The result is bound to be something very like a sweep for the Progressive party. The strength of the old Western Liberal party has gone into the new movement; what is not so clearly recognised is that this refuge is equally acceptable to many old-time Conservatives. This is the particular significance of the defection of Mr. Wright, the Saskatchewan M.P., who went to Ottawa as a Conservative Unionist.

If Parliament is not dissolved until 1922, when its natural life will expire, the new National party may make strength in the country. A good deal will depend upon industrial conditions and upon the exact character of the tariff which the new party may devise. But there are three or four constituencies vacant and two new Ministers must be re-elected. If these bye-elections should go as bye-elections have been going it will be difficult to avoid a general election. If a contest were now precipitated it is impossible to believe that any group or party would secure a majority. There would be a National group, a Farmer group, a Liberal group, and a Labour group, and no one can foretell what combination would be effected to secure control of the House of Commons.

Canada. July, 1920.

Appendix

APPENDIX.

From *The Times*, August 5, 1920.

CANADIAN AGREEMENT WITH WEST INDIES.

A 50 PER CENT. PREFERENCE.

(*From our own Correspondent.*)

OTTAWA, August 3.

The agreement between the British West Indies and Canada, which is the outcome of the recent conference, was made public to-day by Sir George Foster, Minister of Trade and Commerce.

The agreement provides for a 50 per cent. Preference by Canada on all imports from the British West Indies, except tobacco and liquors. Barbadoes, British Guiana, and Trinidad give Canada a 50 per cent. Preference. British Honduras, the Leeward Islands and the Windward Islands 33 $\frac{1}{3}$ per cent.; Bermuda and Jamaica 25 per cent.; and the Bahamas a 10 per cent. preference. The agreement provides that it shall not interfere with any existing preference or the granting of any future preference by the Dominion or the Colonies to any other part of the Empire.

Canada agrees to use her best endeavours to arrange a mail, passenger, and freight steamship service, to come into effect as soon as possible, and in any case within three years. On this service the steamers will be from 5,000 to 6,000 tons gross, capable of maintaining an ocean speed of 12 knots, and with accommodation for 230 passengers. Arrangements are made, if necessary, for steamship subsidies, to which all will contribute proportionately. In the meantime, Canada undertakes to maintain a fortnightly service on the existing lines.

The recommendation is made that the Governments should take up the question of a better cable service, the Government of Canada agreeing to institute inquiries into the possibility of arranging for such cables.

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* * It may be noted in connection with the publication of the Canadian agreement with the West Indies that according to statistics just issued the value of Canada's total trade with the West Indies during the year ended March, 1920, was \$60,702,561 (£12,140,572), the imports being \$40,530,346 (£8,106,069), and the exports \$20,172,215 (£4,034,443). The value of the total trade with the British possessions alone in the group was \$22,057,403 (£4,411,480), the exports being \$10,964,254 (£2,192,850), and the imports \$12,093,149 (£2,418,629).

One-third of the total trade was done with Cuba, the figures being \$24,444,189 (£4,888,837), imports representing \$17,585,528 (£3,577,105), consisting almost entirely of sugar. Of the total imports from all the islands 85 per cent. consisted of sugar.

The development of the trade with Cuba is the most striking feature of the commercial relations between Canada and the West Indies during the last seven years. In 1914 the value of the imports from Cuba was \$3,952,887 (£790,577); in 1919-20 it was \$17,585,528 (£3,517,105). In 1914 the exports to Cuba were valued at \$1,828,521 (£365,704), in 1919-20 they were \$6,850,561 (£1,370,132). Major Nicholas Perez Stable, Consul-General for Cuba in Canada, is authority for the statement that it is quite probable that the value of the trade between the two countries may be doubled this year.

The preferential tariff rate of 20 per cent. enjoyed by certain articles from the British West Indies entering Canada, and on a number of articles produced in Canada and entering certain of the British West Indies, has imparted a stimulus to reciprocal trade, having in this way arrested a tendency to decline.

One of the noteworthy features of trade between the Dominion and the West Indies generally has been the displacement of British West Indian sugar in the Canadian market by that from Cuba and San Domingo. In 1911 the imports of sugar from these British possessions were 206,083,000 lb.; in 1919-20 they were but 97,494,652 lb. In 1911 the imports of sugar from Cuba and San Domingo were 47,189,000 lb.; in 1919-20 they were 432,886,405 lb.

AUSTRALIA

I. THE VISIT OF THE PRINCE OF WALES

AT the time of writing the Prince of Wales has begun his progress through the country, and Australians are at one in receiving him with friendly welcome and hospitality. A young man himself, who as years were counted but a few years ago would have been but a boy amongst us, he comes to Australia at the very time when as a nation she is intensely conscious of having herself come of age, of having passed the threshold which separates the dependence of youth from the opportunities as well as the tasks and responsibilities of maturity.

It is indeed no mere figure of speech to say that Australians are at this time thinking proudly and hopefully of their country as a young man rejoices in his strength, for it is the tried and proved manhood of their lads and young men which has won their country its nationhood and holds the promise of its future. Australia has instinctively given "the Prince"—for so he will be known to all—a "Diggers' welcome." His descent and high destiny have awakened us to a consciousness alike of our past and of our future, and his youth has struck a chord which reaches the heart of the nation.

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II. THE CROWN AND THE EMPIRE

NEARLY twenty years ago, in announcing in the House of Commons the death of Queen Victoria, Mr. Balfour made an observation, which, true enough then, has become more apparent and more significant since. He said :—

In my judgment the Crown in our Constitution is not a diminishing but an increasing factor. It is increasing, and must increase with the growth and development of those free self-governing communities, those new Commonwealths beyond the sea which are bound to us by the person of the Sovereign, who is the living symbol of the unity of the Empire.

Just as in the United Kingdom the power of the Crown became, through Parliamentary control, the instrument of self-government, so in the Dominions self-government was introduced and has developed, not by any diminution of the powers of the Crown, but simply by a change in the mode of their exercise. Instead of being exercised by Colonial officials in subordination to a British Ministry, itself responsible to the Parliament of the United Kingdom, they have come to be exercised through Ministries responsible to the people of the Dominions, and the number of powers so exercised has followed the growth of the Dominions, their needs and their wishes. The Dominion Government “functions” through the Crown; it holds the territories of the Dominion, and all its property in the name of the Crown and with all the attributes of regality; thus in any court of law it is in the name of the Crown and with all its attributes that a Dominion or a Colony asserts its rights. Even in respect to the legislatures it is the King in Council which has established, often against the Colonial or Dominion Courts, that Acts of the Colonial Legislature assented to by the Crown and proceeding in the name of the Crown are the exercise of a power which

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has the Imperial Parliament and no lesser authority for its model. The plenary self-government of the Dominions owes much to the liberal views that have prevailed in the Privy Council.

The powers of the Crown, then, instead of being barriers to self-government have been familiar to the Dominions as the source or as the expression of self-government. As the accession of power gives fewer occasions for recourse to the British Parliament, as the British Government withdraws its controlling hand from one matter after another, tradition and wont gain strength from the elimination of the other factors. Dominion government takes on itself a closer and more direct relation to the King. The "Colonial Ministry" and "Your Excellency's Ministers" of a former day have become both in statute and executive documents "His Majesty's Ministers" for the Dominion. In face of these changes, the old designation of "the Imperial Ministry" as describing an unchallengeable paramountcy and a distinctive set of functions vested in the British Ministry is ceasing to correspond with the actual facts.

The legal doctrine of the Crown has served well the development of our Commonwealth of Nations, with its principles of unity and diversity. But there is a real danger that the doctrine that the Crown may exercise its functions through many distinct agencies without impairing the unity and indivisibility of the whole may become a fiction concealing from us the facts of divided authority and responsibility, or a formula fraught with possibilities of grave misunderstanding. In the purely legal field, the unity of the Crown has been made to yield to the needs of distinct political units with conflicting rights—in Australia the Crown as State sues the Crown as another State. In the political field, while Dominion Ministers who have returned from the Peace Conference, in Canada, Australia, South Africa and New Zealand use the same language in impressing upon their people that a great and vital change

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has been wrought in their condition, their rhetoric usually fails to carry any clear notion as to what that change is, or their action suggests widely divergent notions as to the new constitution of the Empire. It appears, indeed, to be generally believed that the Dominions were separately parties to the Peace Treaty with Germany, and that His Majesty, on the advice of his several Ministries, and with the concurrence of each of them, delivered separate ratifications on their behalf. If this were the true position, the cleavage indeed would be complete, for it would mean nothing less than that we had ceased to be, in matters of peace and of war, one people. Actually there is nothing in the making of the Peace Treaty so destructive of the Empire. The British delegation was appointed on the advice of the Imperial War Cabinet, and, except for the magnitude of the business, there was nothing to distinguish the inclusion of Dominion representatives in the delegation from earlier nominations of Canadian representatives as British plenipotentiaries to negotiate a Treaty with the United States. It is as the "British Empire" that we became a party to the Peace of Versailles. The ratification was the act of a single belligerent Power, and not a succession of acts of several Powers. It was done by His Majesty, certainly after obtaining the assent of the several Dominion Ministries and Parliaments, but in the final stage upon the advice of the Imperial Cabinet.

The status of the Dominions as members of the League of Nations involves more serious matters. The practical importance of their admission, *prima facie*, would appear to depend upon the League itself becoming a political reality. But even apart from this, and even if the Covenant becomes a mere scrap of paper, it is open to argument that the admission of the Dominions was a step which, as a formal international act, irrevocable without the assent of all parties, itself accomplished such constitutional changes in the British Empire as the new international status of the Dominions demanded.

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There is a whole world of difference between the New Zealand and the South African notions of a Dominion's status in relation to the mandate territories. According to General Smuts, the mandate is granted direct from the League of Nations to His Majesty in right of the Dominion of South Africa, with no "Imperial" Government as an intermediary. South Africa exercises authority in the name of the Crown, but solely on the advice of the King's Ministers for the Union, as responsible to the Union Parliament. Neither legally not politically has the Parliament of the United Kingdom or the British Ministry, or any other member of the British Commonwealth of Nations, any relation to the matter except as members of the League of Nations, or except as South Africa takes counsel with them. New Zealand, on the other hand, treats her mandate as one received from the King, and therefore (as the King acts only through Ministers) as one received from a Government which acts for the Empire. According to this view, New Zealand acts on behalf of the Empire in exercising her mandate; and founding her authority legally on this grant and on the powers of an Imperial Act—the Foreign Jurisdiction Act—she admits a responsibility within the Empire and the supreme authority of the Imperial Parliament.

In the case of Australia the question might present itself at any time in an acute form. She exercises her mandate over territories remote from her shores, and in an arena where, even apart from the conflict of interests and aspirations, delicate situations are peculiarly likely to arise. In case of any "untoward incident" calling forth a claim for redress from a foreign State, to whom is the complainant State to address its demand? To the King? But to the King as represented by the British Ministry, or to the King as represented by His Ministers of State for the Commonwealth? To London or to Melbourne? And which Government is to give the answer on which peace or war may depend? Does the British Government and do the other Dominion Governments accept or repudiate any

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responsibility for the incident, for reparation or for the consequences of refusal ? Do they claim the same freedom to hold aloof from the international complications of a Dominion—to support or to withhold support—that is now declared to be the right of a Dominion in regard to the international affairs conducted by His Majesty's Ministers in the United Kingdom ? The answer so firmly given by Lord Salisbury when analogous questions were raised many years ago by France and the United States in regard to Newfoundland and Canada—that responsibility lay with His Majesty's Government for the British Empire and that action through one or other agency, the part assigned to one or other Government, was a purely constitutional and domestic question—can hardly be given to-day without qualifications which would render it an evasion of the real question.

If the several Governments of the King are distinct, co-ordinate, and equal, the King in acting on the advice of one Government will at some time find himself acting against the advice of another Government. Sooner or later it will be found impossible that inharmonious and conflicting external policies can be carried on in the name of the Crown. No solution is to be found in any revival of a personal monarchy and the influence of the Crown in smoothing out differences is dependent on a personal contact which is not possible in the case of Governments widely separated in space.

It is important to all of us that there should be no misunderstanding on these questions, either among the nations of the Empire, or among foreign nations. But it touches Australia perhaps more closely than any other ; and it is interesting to observe, in view of the part played by the Prime Minister of the Commonwealth in emphasising one aspect of our problem, that his colleague Mr. Watt, in the first of his public addresses during his present visit to London, calls the attention of British statesmen to the other aspect of it. Having stated that Australia was jealous

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of her autonomy, and that overseas opinion could not be inarticulate on such subjects as were involved in the Peace Conference, he is reported as saying that :—

He felt that development within the Peace Treaty required more anxious care than at present it was obtaining from the British. He did not believe that the Home statesmen appreciated the possibilities of and hidden dangers in the granting to the Dominions of representation with a direct wire to the League of Nations. The greatest care must be taken to ensure that the Empire's voice on international affairs should emanate from a single set of lips.*

It is significant too that this warning was uttered during the same week that Mr. Bonar Law announced that arrangements had been made whereby His Majesty would appoint a Plenipotentiary to Washington on the advice of His Canadian Ministry.

The common membership of the League of Nations, the obligations undertaken by its members, and the remedial procedure established by the Covenant, might indeed furnish an answer to some of these questions; and no country is more deeply concerned than is Australia in the general acceptance of its principles. But if the Covenant of the League expresses aspiration rather than realisation, if the obligations it imposes are qualified by reservations or rejected altogether—and there are few indications of earnest belief or even desire of fulfilment in the language of Australian Ministers—Australian statesmen must put themselves to the question which, according to Mr. Watt, British statesmen have neglected, of how in the new conditions a single decisory voice in foreign relations is to be maintained, and to the further question of the mutual obligations of the partnership and of the conditions of common support. In proportion as the first matter is insecure must the latter be clearly formulated. It may be that the terms of the Covenant of the League offer suggestions for adaptation.

* *Melbourne Herald*, May 13, 1920.

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In blaming British statesmen, Mr. Watt perhaps does not make sufficient allowance for their natural hesitation in face of the sensitiveness of Dominion opinion, and the certainty that in some quarters any serious treatment of the matter by them would be represented as a threat to national self-government. But British and Dominion statesmen together have taken an initiative, the meaning of which is variously represented within the Empire and abroad, notably in the United States. The declared intention of holding an Imperial Conference to consider future relations recognises that at the least the situation requires elucidation : its implications have to be faced, institutions and practice to be adopted. If such a Conference is to be effective, someone must take the responsibility of laying down principles, of defining issues, and of working out the implications and the constitutional changes involved according as one or other type of future relation shall be adopted. Such work is part of the necessary preparation for the Conference. Primarily, it belongs to the British Government, which still at any rate has some of the functions of an Imperial Government, and is the senior partner. But the Governments of the Dominions also have a duty towards their own people ; and towards their partners in the Empire, to inform and guide opinion by their knowledge and experience.

The " new status of the Dominions " inevitably raises questions as to the status and functions of the " Representative of the Crown " in the Dominions. The arrangements that have been recently concluded between the British and the Dominion Governments provide for direct communications between the British Prime Minister and the Prime Minister of the Commonwealth. Under the former practice the Governor-General was the constitutional channel of communication. The new arrangement may have its convenience, but it remains to be seen whether the convenience has not also its disadvantages. If the Governor-General is to learn for the first time through the

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public Press—as may well happen—of communications between the British and the Australian Governments, the arrangement detracts both from the dignity and the usefulness of his position. If he ceases to be in the confidence of the British Government he can in no sense be its representative; and while this may emphasise the vice-regal character of his office, as the representative of the Crown in its formal or ceremonial functions, it must hamper him in everything else. There are still some acts—and those very important ones—in which the Governor-General has a personal discretion as constitutional head of the Commonwealth Government, and these ought to be done with the fullest possible knowledge of the whole political situation. And it must not be forgotten that in relations with external Governments in particular the King in Great Britain—if we are to follow the analogy—has the constitutional right to be informed of every *démarche*. Another and quite a serious aspect of the matter is that the arrangement sanctions a condition of things which, though it may be in Great Britain a tendency of longer growth, only became notorious during the war: the exaltation of the office of Prime Minister at the expense of the Cabinet. In Australia, where this is exclusively a product of the war, there is widespread dissatisfaction at the continued assumption by the Prime Minister that the “single voice” with which the Government of the Commonwealth must speak if it is to be a Government at all is the voice of a single person.

In the case of the States, the position of the Governor has inevitably been a subject of discussion ever since the Commonwealth was established. There are two positive advantages in the present system. The first of these is that a Governor coming to the State from the United Kingdom or elsewhere for the sole purpose of executing his commission from the King, the arrival and departure of successive Governors, strike the imagination with the legatine and representative character of the office in a way which local appointments would not do. It is possible for

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a Governor, as it is not possible for the Governor-General, to become personally known through the whole or a great part of the State, a living and visible witness of that British unity which is symbolised by the Crown itself. The other advantage is that which led the Italian cities in the Middle Ages to establish the office of *podestà*: a stranger can play an indifferent and impartial rôle where someone is required to stand without and above the contests of party. The occasions for such a rôle may be few, but they exist under the present Constitution, and it may well be that the need will increase rather than diminish with the increasing pretensions of Ministries and the party subordination of the Legislature. The protection of the courts of law does not extend to all irregularities of government; and the forms of the Constitution may be perverted.

On the other hand, it is said that as representative of the Crown the Governor is superfluous; he is overshadowed by the Governor-General; and the presence of two gentlemen with separate offices, but each representing the King and receiving the courtesies due to him in that character, is anomalous, and occasionally embarrassing. The cost of maintaining the office is also a ground of criticism, and though any saving that might be made by any other provision would, when all things were considered, be trifling, there is a substantial body of opinion which treats the Governor's establishment as symbolical of the inflated character of State government generally, and believes that the best means of reaching a simpler State government is to get rid of an office which was appropriate only before federation. This consideration, however, is one which in effect is an attack on the Commonwealth Constitution as by law established, and the position assigned therein to the States. The office of State Governor is thus linked up with the Commonwealth Constitution and its revision, and the position that may be assigned to the States in the revision. In Canada, the Provinces have Lieutenant-Governors appointed by the Dominion Government; in South Africa,

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the Provinces have Administrators appointed by the Union Government, and the provision is associated with a status, differing in the two cases, and in both differing widely from the status of the States in Australia. Being therefore a matter of common concern, it could not be dealt with by separate action in accordance with the views of particular States. This was pointed out by the Secretary of State in answer to the representatives of some of the States, and it seems both sound and politic.

What has influenced those of the State Governments and Parliaments which have urged an alteration of the present arrangement has been less the constitutional matters referred to, or the expense involved in maintaining the office, than the feeling that there was some lack of dignity, some reminiscence of colonial inferiority, in a system whereby "Australians"—not confined in this sense to persons born in Australia—were practically excluded from the highest and most dignified office in the State. This feeling is no doubt widely shared. In the case of the Governor-General of the Commonwealth, as in the case of the Governor of the Colonies before federation, it is admitted that there may be reasons of high policy which require that the British Government should make its own choice, and in doing so should be unfettered. But in the case of the States it is thought there are no Imperial considerations which should prevent the office of Governor or Lieutenant-Governor (whichever should be decided on) going the way of all other constitutional offices in the sphere of responsible government. No way, however, has yet been thought out for making the appointment, though some would suggest election by the people, others prefer appointment on recommendation of the Executive Government of the State, while others, again, assume that the Government would be administered by the Chief Justice *virtute officii*.

If the matter becomes a more serious part of practical politics, Australians will have to weigh the objections to any of these courses, and particularly to consider the rôle

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that the Lieutenant-Governor is to play. Whether the office is filled by popular election or on the nomination of the Executive, it will become an essentially political office, and thereby at once it changes its character. If the Lieutenant-Governor did not remain personally an active politician (and he might in substance be a President) he must become the mere instrument for giving effect to the decisions of his Ministers—the “rubber stamp” of common language. Such elements of discretion or personal duty as remain in the office—in relation to the dissolution of Parliament, nomination to a Legislative Council, the observance of proper and regular forms in various classes of public business (the constitutional value of which is well understood by every man who has held office)—must disappear in the case of a functionary to whom the impartiality of aloofness from political associations and interests can no longer be attributed. It may be that it is right that the whole burden of these decisions should be thrown upon the responsible Ministry, and it may be said that if this is done, the office of Governor will, by assimilation to the Crown itself, gain and not lose in dignity. But this is to ask overmuch abstraction from popular judgment. The man whom half the electors know as an active politician in the past, who may be again an active politician in the future, can hardly personify the Crown and receive the ceremonial attributes and respect with which, as representing the King, the office of Governor has been invested.

Not all these objections are avoided if the position is held in conjunction with some office, such as the Chief Justiceship. In all such cases there is the additional objection that the qualifications demanded for the one part may embarrass the choice for the other ; and the magnitude of the prize would increase the weight of political considerations in the appointment to judicial office.

Queensland Politics

III. QUEENSLAND POLITICS

RECENT events in Queensland bear directly on the system of local appointments. In view of the impending departure of the Governor, the late Sir Hamilton Goold Adams, it became necessary to provide for the administration of the Government until the arrival of his successor. The Queensland Government, which was consulted in the matter, recommended the appointment of Mr. Lennon, the Speaker of the Legislative Assembly, as Lieutenant-Governor, and the approval of the Colonial Office having been obtained Mr. Lennon assumed the administration.

The announcement of Mr. Lennon's appointment at once aroused a storm of protest. He had only recently vacated Ministerial office to become Speaker; he was still in the ranks of active political life, and as a member of the Labour Party he was pledged on various subjects of present acute political contest, including the abolition of the Legislative Council. In Queensland this Council is a nominated chamber, and the question of the respective functions of the Governor and his Ministers in nominating members is one of the unsettled questions of Dominion Constitutional practice. Nominations are made on the advice of Ministers, and additional members have more than once been appointed so as to ensure the passage of Government measures. On the other hand, it is not yet established that in this matter the Governor must act on the advice of Ministers and that responsibility lies exclusively with them. As recently, indeed, as 1907 Lord Chelmsford, then Governor of Queensland, refused to make appointments recommended by his Government, and since 1907 a new factor has been introduced by the enactment of a statute under which Bills may, in cases where the two Houses differ, be submitted to the people by referendum, and a Bill for the abolition of the Legislative Council was actually so submitted to the electors in 1917 and rejected.

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At the time of Mr. Lennon's appointment as Lieutenant-Governor certain measures were pending to which the Legislative Council was known to be opposed. They included a Bill to amend the Land Act, which had already been four times rejected by the Council. This Bill was now introduced by the Government for the fifth time, and upon it being once more rejected, its passage was effected by the following means. Fourteen nominees of the Caucus of the Labour Party were, upon the recommendation of Ministers, appointed to the Legislative Council by the Lieutenant-Governor, after which the Land Bill was reintroduced and passed into law.

Even before this development vigorous protests against Mr. Lennon's appointment had been made in Parliament, in the Press, at public meetings, and Opposition members both in the Council and in the Assembly had sent cables of protest to the Secretary of State. These protests were based on the fact that at the time of his appointment Mr. Lennon was an active politician, that he was pledged to the Labour Party's programme for the abolition both of the Council and of the Governorship itself, and that under these circumstances there was a danger of the Constitution being improperly interfered with, either by the abolition of the Council or by the destruction of its independence. Respect was felt and expressed in most quarters for the personal character of Mr. Lennon, three of whose sons were known to have served in the war ; but his connection with a Ministry which had withheld its support at the most critical period of the war and his association with some of the most violent outbursts of his colleagues against England were felt to be an additional objection to his appointment.

The Secretary of State refused to interfere, and added that he felt sure, from the representations made at the time of Mr. Lennon's nomination, that he would discharge his duties with the absolute impartiality that was required from any holder of the office.

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The pith of the matter is really contained in the following observations made by the Premier, Mr. Theodore, in defence of the appointment :—

If we are to have Lieutenant-Governors or Governors locally appointed, it may be a difficult matter to get a man who because of his standing in the community has some claim to the appointment, and who at the same time is dissociated from politics or political views. I go so far as to say that it would be impossible to get such a man.

In other States the Chief Justice as a rule carries on the office of Lieutenant-Governor during an interregnum, but curiously enough in Queensland this duty has usually fallen to the President of the Legislative Council. Thus although in one sense the appointment of the Speaker of the Legislative Assembly was a departure from precedent, the selection of a politician was no novelty, and it was alleged by Ministers that before Mr Lennon was appointed two other gentlemen, neither of them members of the Labour party, were “sounded” as to whether they would accept the position.

To return to the Land Act, among the tenures of Crown land established by the various Land Acts is a form of pastoral lease for a term not exceeding 30 years. The districts in which such leases may be granted, and the rents to be reserved for the several holdings, are mentioned in a schedule to the statute. These rents have always been subject to revision every ten years, the new rent being determined by the Land Court. The powers of the Land Court were, however, limited by a proviso that (save in the event of public works being executed or extensive mineral developments occurring in or near the land under lease, in which case the powers of the Court are not fettered) the annual rent fixed by the Court should not exceed the rent for the preceding period by more than 50 per cent. The Amending Act of 1920, which was passed in the manner already mentioned, repeals this proviso not merely in the case of new leases, but also in that of leases already granted.

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It further provides in effect that where the rent has been determined by the Court under the limitations of the previous law, it shall be the duty of the Court to consider whether, having regard to the removal of these limitations, the rent is sufficient, and if it is not, to redetermine the rent for the whole of the current period, retrospectively as well as for the future. The pastoral tenant is then, in the event of the rent being raised, immediately to become liable for the increased amount for the expired part of the period just as though it were arrears of rent. The Act is thus retrospective in a double sense. Means of redress are provided in two instances. Thus the Government may go over the head of the Land Court in any particular case and declare the rent to be sufficient, and in the event of arrears coming into existence under the provisions of the Act, the Minister responsible for its administration may allow payment by instalments where he is satisfied that it would cause hardship to insist on immediate payment.

This measure has excited, both in Australia and in England, the liveliest hostility amongst those who possess pastoral or financial interests in Queensland, both on account of its direct operation, and because of the sense of insecurity to which it has given rise. So strong indeed was the feeling in Queensland that at a meeting held in Brisbane it was resolved to send a special delegation to London to lay before the British Government an account of the political situation in Queensland and to urge the immediate appointment of a Governor on whose impartiality reliance could be placed. The opponents of the Government were divided as to the expediency of sending this delegation. For, so far as the past was concerned, to ask the British Government to interfere in domestic concerns of a self-governing community was to court a rebuff, and would prejudice the issue for the purpose of the election that must soon be held.

Nevertheless the delegation went to England, and as its visit coincided with that of Mr. Theodore, the Premier of

The New South Wales Elections

Queensland, if representations are to be made, the Secretary of State will have the advantage of hearing both sides.

IV. THE NEW SOUTH WALES ELECTIONS

THE New South Wales elections were held on March 20, and the issues and the party grouping were dealt with in the last number of *THE ROUND TABLE*. On the declaration of the results the Labour Opposition, with 45 members in a House of 90, was equal in strength to the Nationalists (including an Independent Nationalist) and the Progressives. The other parties or groups which had nominated—whether the militant and extreme flank of the Labour Party or the Returned Soldiers and Sailors' League—received small encouragement from the electors. As the Progressives and the Independent Nationalist had both before and during the election taken up an attitude of definite hostility to the Holman Government, the formation of a Labour Ministry was a natural course. Mr John Storey, the Labour leader, became Premier, and the Parliamentary Caucus, according to the rules of the party, chose the Ministry. A working majority of one was secured by placing an opponent in the Speaker's Chair. Mr. Storey has warned his supporters that in the difficult position in which the Government is placed—two of his 45 supporters had broken with their party and were returned as Independent Labour men—they must not look for a striking or ambitious programme.

The principal incident of the election was the rejection of Mr. Holman by his own constituency of Cootamundra. This emphasises the fact that, apart from the hostility of the Labour party as such, the general discontent with the Government expressed in the result of the election, was intensified in the case of the Premier. Mr. Holman was pre-eminently the leader of the Nationalist Ministry; it was his ability, adroitness, and management which maintained it during its three years of office, as during the

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preceding years, 1913-1917, similar qualities had kept him the head of a Labour Government. But the very qualities which he had to exercise to keep his supporters together, as well as some of the political connections that he had formed, and the tenacity with which he supported colleagues whose administration was seriously challenged, gradually filled the party outside Parliament and the country generally with distrust, which concentrated on him personally, and he paid the penalty for his pre-eminence. For the present, Mr. Holman is not seeking a constituency, and has resumed a long interrupted practice at the Bar.

For the first time in the history of elections in this State, a system of proportional representation was used. In European countries the object of such systems has been usually an incident of the existence of numerous parties, and the method adopted is a party-list system. In British countries the system has not been associated with the formal recognition of parties; and the elector casts a "single transferable vote." He indicates the individual candidate who is the object of his first preference, and is allowed or required to state how this vote is to be used if this candidate is returned without his support or gets too little support for the vote to be effective at all. The system has been used with success in Tasmania, where it was in force at the elections of 1896 and 1899, and reintroduced in 1909 is in force there to-day.

A defect in this system as applied to present-day political conditions is that aiming at a strictly personal choice among candidates and requiring the elector to indicate his preference as between individuals, it does not sufficiently take into account that the elector is usually interested in the return of a political party to form and maintain a Government, and that his interest in individuals is subordinate or non-existent. In particular he is embarrassed when called on to express a preference for the nominees of the party for which he desires to vote. From this feature springs many of the practical difficulties which occur in the

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working of the system ; and in New South Wales these difficulties have been aggravated by the distinctive peculiarity of the method adopted at this election—the requirement that every voter must indicate the order of his preference in the case of every candidate nominated. (In Tasmania he is required to express his order of preference in the case of three of the candidates only.) The weight of the burden thus placed on the voter may be seen from the fact that in one constituency there were 21 candidates, many of them quite unknown, and in most cases of little interest to the elector. Electors recoiled from this duty of expressing preferences they did not feel, though the parties issued lists setting out the order of voting they recommended ; probably it kept many from the polls (only 55 per cent. of the electors voted), and undoubtedly it conduced to the abnormally high proportion (nearly 10 per cent.) of informal votes. Under the familiar system of voting by placing a cross against the name of the candidate of the voter's choice, the proportion of informal votes does not usually exceed 1 to 2 per cent., and under the Tasmanian single transferable vote it has usually been less than 3 per cent.

The old Legislative Assembly consisted of 90 members, each elected in a single-member constituency. The Act introducing Proportional Representation provided for the same number of members, but in place of 90 constituencies there were formed 9 of 5 members each. The party nominations were as follow :—

Nationalists	..	..	..	..	..	60
Progressives	..	..	..	..	..	50
Independent Nationalists	..	..	..	..	..	1
Labour	..	..	..	..	..	89
Democratic Party	9
Socialists	16
Soldiers' League	29
Women's League	1
Unclassified	58

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The number of voters on the rolls was 1,182,409, the number of votes cast being 664,323, or 55 per cent. of the total of enrolled electors (for Labour, 285,792; for all others, 299,997, with about 10 per cent. informal votes. The voting at the 1917 election was : for Labour, 300,775 ; for all others, 381,989).

The poll resulted in the return of the following :—

Labour (including the two Independent					
Labourites before mentioned)	..	..			45
Nationalists	..	..	..	..	29
Progressives	..	..	..	..	15
Independent Nationalists	..	..	..	..	1
					<hr/> 90

The system may thus be considered to have achieved substantial success in its main object, the proportional representation of the parties. Labour, with just under half of the votes, won just half the seats.

Australia. June, 1920.

NEW ZEALAND

I. RESPONSIBILITIES IN THE PACIFIC

ON March 26 the forty-four members of Parliament who with Sir James Allen, the Minister for Defence, had spent five weeks in visiting Cook Islands, Tonga, Samoa and Fiji, returned to Auckland. The object of the tour was to inform members and to educate the public in regard to the administrative problems of the Pacific Islands, and of Samoa in particular. Both these ends may be said to have been attained. The criticism and discussions in the press show that the community takes a serious view of its responsibilities, and is anxious to do the right thing; and this free canvassing of thorny questions, combined with the members' own observations, should be a real help to the Government in framing its policy, which will be brought before Parliament in the session which begins in June. It is hoped that the issues will not be fought out on party lines.

Discussion in the main revolved round two points—whether New Zealand had done right in accepting the mandate, and whether we should continue the system of indentured labour which the Germans had introduced for the benefit of the white planters. Although the first point is in fact academic—as no one really thinks of turning back now we have set our hand to the plough—its answer requires a plain statement of the ethics of empire, and forces us to break away from our insular habits of thought.

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Thus Sir James Allen, before the party dispersed, said :—
“Some of you may think we were wrong in accepting the mandate for Samoa. I remind you that we cannot live in isolation. Acceptance of responsibilities opens up for us great possibilities of usefulness to the Empire and to the world.” Strategically, the advantage of the mandate is that it keeps out a predatory power, although, as we are forbidden to build fortifications or naval bases, it confers on us no positive benefit. Financially, it is generally expected (judging from our experience with the Cook Islands) that Samoa will be an expense to the New Zealand taxpayer, to which argument the *Wellington Evening Post* remarks that “assuming that the proper tutelage of the Samoans, minus imported labour, should turn out to be a big financial burden, no gain would accrue from throwing our mandate back to the Mother Country, except a selfish and temporary monetary saving to the New Zealand treasury.” Nor does the course of accepting the mandate and making it pay by the use of cheap imported labour find much favour. The *New Zealand Herald* says :—
“Nothing approaching the exploitation of any alien race must mar our guardianship of the Islands. The industries of Samoa can afford to pay at least a living wage, and this must be the essence of any system of indenture.” The *Southland Times* believes that the problem resolves itself into two issues: the prosperity of the planter, and the development of Samoa for the Samoans, the first involving little expense to the Dominion, but a permanent indenture system, the second a heavy initial cost and doubt as to whether the country will ever be self-supporting. “We are answerable to the League of Nations, to civilisation,” it continues, “and if we elect to go for material things to the exclusion of the more important responsibilities in connection with the less favoured peoples, we must be prepared to answer for our conduct.” The *New Zealand Times* says plainly :—“We are in Samoa not to drain away the natural wealth of Samoa for the benefit of a few ex-

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plotters fattening on the use of cheap labour. If the people of the islands who own the lands cannot be induced to work them except at a price, we who have undertaken to conserve the interests of these people must be prepared to pay that price. Systems of cheap labour and alienation of the native lands go together. They are the twin agencies for the destruction of the native people." The report of the four Labour members who accompanied the Parliamentary party urged that "New Zealand should refuse to administer a system of slavery in Samoa, and should hasten to hand the mandate back with a recommendation that self-government be conferred on the Samoan people under a British protectorate" (after the model of Tonga). This abnegation of our responsibility altogether is not a course that is likely to find favour, though it is plain that there is a real determination to grapple with the evils which others beside the Labour party equally deplore.

What New Zealand now understands is that the acceptance of the mandate has brought us face to face with a social and economic problem of the first importance. It is no matter that the scale is small. It is felt that our actions in Samoa will be a touchstone of the value of that culture which the Empire closed its ranks to save in the late war. We have to decide what is to be done with the system of indentured labour which we took over from the Germans, and the facts on which to base judgment are now tolerably well known.

The two Samoan islands, which have been under military occupation for $5\frac{1}{2}$ years, have an area of 1,260 square miles, and a population (in 1917) of 41,128, of which 1,668 were of European descent, 530 being Germans. The ravages of influenza early in 1919 reduced the native population by about 8,000. The only industries are the growing of cocoanut palms (for copra), cocoa, and rubber. Owing to labour difficulties, the production of rubber has now been brought down to nothing. £449,917 worth of copra was produced in 1919, all of which was taken by the

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U.S.A. ; while Australia and the U.S.A. jointly imported the £81,110 worth of cocoa produced. As Samoa's imports came chiefly from these two countries, New Zealand has little interest in her trade. Moreover, three-quarters of the copra is grown by the natives themselves on their own plantations. Indentured labour is, of course, used only on the European plantations, and it is in their interest and theirs alone that its continuance can be urged.

The indentured labour system was begun by the Germans in 1903, when arrangements were entered into by the German and Chinese Governments by which unmarried Chinamen might be imported into Samoa ; the coolies were to be paid 20 marks a month, with food and shelter, and the right at the end of three years either to re-indenture or to be repatriated at their employer's cost. In addition the Germans imported " boys " from their own Solomon Islands. When the war broke out there were 2,200 Chinese and 850 Solomon Islanders in Samoa, a total of 3,050 ; at the present time these numbers have fallen to 838 and 405 respectively, or a total of 1,243. The shrinkage in numbers caused competition amongst the white employers when their indenture ran out, and Chinese were able to re-indenture at £2 10s. a month, and Solomon Islanders at £2. This has so affected the industry that three plantation companies, representing a capital of £120,000, are bankrupt, and a fourth, with a capital of £90,000, is on the verge. The neglected plantations are rapidly returning to a state of nature, and certain pests, like the rhinoceros beetle, introduced originally from Ceylon, are spreading so fast that the native plantations are threatened with ruin as well.

Such is the position which the New Zealand Parliamentarians were invited to consider. The case of the white settlers was presented in a pamphlet, in which they described themselves as " the people who count, the real stakeholders in the country." In reply to their representations, Sir James Allen expressed considerable sympathy, and proved that hitherto at any rate their grievances could

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not be laid at the door of the New Zealand Government. He showed that it was the British Government that had opposed the continuance of the German system of indentures. At first all fresh indentures and re-indentures were absolutely forbidden ; later, in response to repeated applications from New Zealand, re-indenturing was allowed for three-monthly periods only. After the Armistice, again in consequence of pressure from New Zealand, the re-indenture period was lengthened to two years, where it now stands. At the same time the New Zealand Government applied both to the Imperial and Australian Governments for permission to indenture Solomon Islanders from the part over which they respectively held control, but was met with a decided negative in each case. In spite, therefore, of the good offices of the New Zealand Government the planters' outlook is gloomy. They have to face the fact that the system which they wish to perpetuate has been rejected, after trial, by the British, Indian and Australian Governments—in fact, by most civilised Governments of the world ; also the fact that, whether indentures are allowed or not, the day of cheap exploited labour is almost past. The Samoan, who the planters say will not work, refuses a sweated wage, and demands his 8s. or 10s. a day ; on his own plantations he will and does work, as General Sir A. Robin, an ex-administrator, testifies, and as his share of the exports proves. The Indian, in the neighbouring Fiji group, has been striking for 5s. a day ; so they have to fall back upon the Chinaman, and even he seems to be needlessly expensive at his new wage of £2 10s. a month. The planters have hopes that the Javanese may be induced to come ; he will be cheap, 10s. a month, and, according to their statement, he “ still has respect for the white race.” It is not yet known whether the Dutch will permit him to risk this latter asset away from their surveillance.

The objections to indentured labour are well known, and in the view of some members of the party at any rate there was nothing in Samoa to diminish them. The

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natives are against it, as in spite of all precautions it leads to a mixture of races, and one result of its continuance might be to convert Samoa into an outpost of that oriental invasion which is never far from the thoughts of an Australasian. The aftermath of the system alone is enough to give us pause, as the present troubles of South Africa and Fiji demonstrate. It is strange that one part of New Zealand's territory should be advocating a Chinese influx, while another part, the Dominion itself, is urging their complete exclusion—indeed, so paradoxical is it that no self-respecting Government will allow its subjects to be placed in such a position, and that is why India has forbidden all further indenturing. However, neither press nor parliamentarians were by any means of one mind in the matter. A few echoed the demand of the planters that 5,000 indentured coolies must be got from somewhere, and at once. A good many more were for compromise—"a gradual tapering off of the indenture system or a more satisfactory form of indenture" is the Wellington *Evening Post's* prescription. Practically all affirmed that the interests of the natives must come first, but many argued that the closing of the white plantations would result in the destruction of the Samoans', and therefore must be prevented at all costs. Some considered that we should not be fulfilling our duty under the mandate if we failed to exploit Samoa's resources to the utmost, thereby rejecting the view so strikingly voiced by Mr. Ngata.* Sir James Allen, as might be expected from the Government's attitude during the military occupation, when interviewed declared that he could see no better way to preserve the Samoan race and to keep the island productive than to continue the policy on the lines existing at present, and added that during the limited time that the Government would run the plantations it did not want to pay high wages and thus injuriously affect the prospects of those who would ultimately take them over. But perhaps the

* See ROUND TABLE, March, 1920, p. 473.

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view which gained most acceptance was that of Mr. W. A. Veitch,* the Labour member for Wanganui; his advice is :—

To take a long-distance, humane view of the situation. In determining our policy under the mandate over Samoa the danger is that we may magnify the problem of to-day, and thus obscure issues the determination of which may vitally affect native life and liberties for generations. The wholesale importation of Chinese indenture labour is advocated as the only means of salvation for the big plantations. While recognising from the purely commercial standpoint the desirability of it, I am convinced that under the mandate there devolves on us the fundamental and grave responsibility of safeguarding the Samoan race.

Those who take this view believe that our proper course is to abolish indentured labour and cut the losses contingent on such a step. Our duty then is to see to the health and education of the Samoan—to attack the widely prevalent hook-worm and elephantiasis, and to mould him to receive as much of our civilisation as he desires. If the Government, in addition, purchased and marketed all his produce (as the Americans do in the neighbouring island of Pago Pago), it would save any possible conflict between him and the white trader and might also be a means of diverting trade from America to ourselves. The whole issue is to be decided in the coming session of Parliament.

Some points of interest were brought out by the visit to the Cook Island group. These islands were annexed by New Zealand in 1901, and were our first attempt at expansion. They are inhabited by some 300 whites and 6,000 Maoris, and have a total export and import trade worth about £150,000 annually, of which about two-thirds is with New Zealand. Our administration there is commonly said to be a failure because it costs the Treasury £7,500 a year over and above any revenue from the islands; and this fact was strongly urged in some quarters as a reason for refusing the Samoan mandate. Yet the visitors

* *Auckland Star*, March 26.

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found a little drama being enacted there—so typical, on a tiny scale, of the whole problem of British imperialism that the extra expense may well be forgotten. The Resident Commissioner, Mr. F. W. Platts, and the white traders were at loggerheads, and Sir James Allen held a public enquiry into the dispute. In general, the Commissioner was charged by the traders with fostering the interests of the natives at their expense. They objected in particular to his breaking an alleged trading ring by getting the natives to ship their copra independently to Tahiti, and to his helping the natives to get supplies of fruit cases and sacks when the traders withheld them. In his reply, Mr. Platts said that “the policy of the administration was to stand for the natives when the interests of the native as a whole conflicted with the interest of the traders or any other European body. He was there to stand between the white community and the natives. He made no charge against the traders, there was no feud with them; if he could do them a good turn it would be willingly done.” Sir James Allen supported this view by saying that the chief duty of the administrator was to protect the native population, and Government would uphold him so long as he justly and rightly conserved the rights of the natives. Some would say that in spite of the adverse balance-sheet our administration of the Cook Islands was of the best possible augury for Samoa.

The party also visited Fiji, which, although a Crown Colony, has many ties with New Zealand. Suva is only 1,100 miles from Auckland; New Zealand is entirely dependent on Fiji for her sugar supplies; and in the recent Indian strikes we sent a Government schooner with an armed force for use if necessary. Contrary to the wishes of Sir James Allen, the Labour members of the party made independent enquiries among the Indians as to the causes of the strike, a course which was assailed in some quarters as “in bad taste,” and vigorously supported in others (not exclusively Labour) on the ground that the New

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Zealand public had a right to know both sides of the question, seeing that our aid had been invoked. The strike began with the workers of the Road Board, who objected to having to work nine hours a day instead of eight ; it spread to the municipal labourers, Government employees and domestic servants, the central demand being for 5s. a day. The women were especially active in inciting to strike, their organisation asserting that the value of the pre-war shilling was now 4d. Bands of strikers became threatening, there was shooting, and an Indian woman was killed. At length they were overawed, and returned to work. About 200 convictions were registered and a commission was promised to enquire into their demands.

As was inevitable, the struggle engendered acute racial consciousness on both sides. In Fiji 6,000 Europeans are faced with 60,000 Indians and 87,000 natives. The Indian claims to be placed somewhere on the same economic footing as a white man—a claim that must seem preposterous to those who have been used to pay him 1s. a day, under indentures, and 2s. a day, his pre-war wage, when freed. A claim was also made for additional representation on the Legislative Council. The whole affair was undoubtedly a reflex of the nationalist movement in India—a movement which combines certain political aspirations with a demand for the ordinary humane treatment of Indian subjects wherever they may be. The Government took the easy course of ascribing the trouble to “agitators,” and ordered a Hindu barrister to leave the affected area. But the matter cannot be cured thus. The Nemesis of an economic policy of cheap Oriental labour and large profits is upon us, and, like the negro problem of America, it will tax the resources of statesmanship to counter the results of its reckless immorality. On May 25, 1917, all further indenturing of Indians was forbidden by vice-regal proclamation ; and on January 2, 1920, the Fijian Government cancelled all remaining indentures. But though the system is abolished the community which it produced

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remains, threatening to control the economic if not the administrative future of the islands. Repatriation is the only real remedy, and, as so many thousands have been born in Fiji and known no other home, there would be considerable hardship in such a step even if there were no other difficulties. Moreover, the interests which exploited the indentured labour are now arranging to import free Indian labour, since cheap labour they must have, and they are indifferent to racial problems. It is true some planters employ Fijians exclusively, but as they require higher pay and better treatment than the Indian coolie a by no means universal solution of the difficulty can be looked for in this direction. Such was the situation, from which some guidance may be expected when Parliament has to make its momentous decision in regard to Samoa

II. THE RAILWAY STRIKE

THE report of the Commission presided over by Mr. Justice Stringer signally failed to allay the grievances of the railwaymen. It recommended a bonus of 6s. a week, which would mean a 44 per cent. rise in wages since 1914 to cover a 42 per cent. rise in the cost of living; and it dwelt on the "substantial advantages" enjoyed by members of the railway staff, such as permanency of employment, annual leave on full pay, superannuation allowance, cheap railway travelling and annual passes. The railwaymen's reply, in effect, was that the rise in the cost of living, in accordance with Mr. Massey's own statement, was 62 per cent.; and the recital of their advantages did nothing to remedy their grievances. These, although the wage question was an important factor, went far beyond it. The administration of the Department has for the past few years been careless and unsympathetic (as is shown by a resolution passed at the annual meeting of the Railway Officers' Institute, that "the present management is not in the interests

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either of members or the country, as is evidenced by the necessity for matters concerning the staff being placed in the hands of boards and commissions"). This state of affairs, combined with the attractions of higher wages to be earned outside the service, resulted in numerous resignations, as many as 435 permanent hands leaving the service in the first three months of the year, and this in turn led to overwork for those who remained. The housing of the train-running staff is another difficulty ; their irregular hours make it necessary for them to live near their work, and the general shortage of accommodation often compels a man with a family to occupy very undesirable quarters. On all these accounts the whole service was riddled with discontent, and, apart from the justice of the complaints, serious inefficiency and danger to the public were bound to follow if no steps were taken. As soon as the Stringer report was published, the various organisations of railwaymen—the Engine, Firemen and Cleaners' Association, the Amalgamated Society of Railway Servants, and the Railway Officers' Institute—approached the Government for better terms.

The E.F.C.A. demanded a 75 per cent. increase on the basic wage of 12s. for engineers, making a minimum wage of £1 1s. a day ; for 15s. to 18s. for firemen, and 12s. for cleaners ; while a rate and a half was to be paid for all work between 6 p.m. and 6 a.m. and in excess of 8 hours a day, and double rates for work in excess of 60 hours a week. The A.S.R.S. were more moderate, simply demanding a scale of wages which would leave them at best as well off as on the pre-war wage. Mr. Massey, who is Minister for Railways and thoroughly overworked, and who had the additional responsibilities connected with the Prince of Wales's visit, temporised. On April 22 he proposed that the Stringer recommendations should stand until June, when a fresh commission should be set up to enquire what terms, if any, should be granted to keep pace with the cost of living, its findings to be retrospective from June 1 ;

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at the same time he refused to discuss technical points, saying that they lay within the province of the General Manager, with whom he did not propose to interfere. This reply was regarded as another attempt at procrastination, and on the following day the A.S.R.S. filed their dispute with the Minister for Labour, in accordance with the provisions of the Labour Disputes Settlement Act, 1913. At this point the E.F.C.A. forced the hand of the rest of the railwaymen, and without communicating with the other organisations sent a statement to the press that their association had ordered a strike in the North Island as from midnight on Wednesday, the 28th, all trains to be run to their destination. On the 29th the A.S.R.S. leaders called a strike, partly because their hands had been forced, and partly because the Government had not replied to their counter-proposal to make use of the Labour Disputes Investigation Act in preference to a fresh commission. The R.O.I., that is, the professional and clerical staff, remained at their posts, but objected to being put to strike-breaking work, such as driving engines. At this juncture Mr. Massey, who was at Rotorua with the Prince, hurried to Wellington, and on Friday, the 30th, after half an hour's conference with the officers of the A.S.R.S., a provisional settlement was reached, which was endorsed by the Transport Federation. It was agreed that work should be resumed at once, that the dispute should be referred to a tribunal with three representatives from each side with power to select its own chairman, that there should be no victimisation, and that they should have the right to resume the strike if the findings of the tribunal were not confirmed after a secret ballot. But the E.F.C.A. proved less tractable. An abortive conference was held that same afternoon, Mr. Massey refusing to concede the point that any recommendations for increased wages should be made retrospective from April 1, 1919; he maintained that such a promise would be unfair to the other branches of the service, and that it was a matter for the tribunal to

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decide. Saturday, May 1, therefore saw the strike still unsettled; but a nervous breakdown of the E.F.C.A. secretary, who was conducting the negotiations, seemed to sap their ardour, and by the evening they had swung into line. The E.F.C.A. agreed to refer its case to a body of four, to be called a "Special Conciliation Commission," two to be nominated by each side, and to be taken from outside the Railway Department. Thus the strike ended after four days; the air had been cleared, no bitterness had been evoked in the negotiations, and it is hoped that effective machinery for reaching a just settlement has at last been established.

The general opinion in regard to the strike was that the railwaymen were spoiling a good case by bad tactics. Their grievances were held to be genuine, and the Department seems to have been dilatory and unsympathetic in dealing with them. On the other hand, they were widely censured for bad manners to the Prince, who was held up at Rotorua and who had in consequence to give up two days' deer-shooting, which had been arranged for him as a brief respite from the continuous strain of official receptions. It is noteworthy, however, that in the journey of the Royal train from Auckland to New Plymouth personal apologies were made by railwaymen at several stopping-places, and a special arch of welcome was erected at New Plymouth Station—the Prince meeting these advances with his usual tact by wishing the men all success. Several organs of the press took the railwaymen to task for holding the community to ransom, and for considering the redress of their own grievances as more important than the public good; they further pointed out that as public servants they could get redress through Parliament, and regretted that they had chosen the dangerous path of direct action. The truth seems to be that the extremists forced the pace, while the bulk of the men were willing to act constitutionally and do their duty to the public, in spite of real and cumulative grievances.

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On May 28 the Conciliation Committee for the A.S.R.S. reported to the Government that a unanimous agreement on all points in dispute had been reached. It remains for this to be ratified. The E.F.C.A. tribunal did not meet till June 2, and until its findings are ready no details of the other agreement will be published. The fact that the whole dispute with all sections of the railway service was not referred to the same tribunal is felt to be a weakness in procedure, and a possible source of difficulty if their findings are not harmonised before publication.

III. THE GENERAL ECONOMIC SITUATION

THE era of guaranteed prosperity which New Zealand enjoyed during the war owing to the Imperial requisitions of her chief products, is now drawing to a close. The fact that our producers have since March, 1915, received a sum of little less than £150,000,000 for their goods, and have been relieved of all risk in connection with their transport and marketing, has tended to blind the eye of the public to the real economic facts of the world. Now, however, a genuine anxiety is being everywhere felt, which is mainly due to the condition of the open market upon which our meat and wool will shortly be thrown. The Imperial requisition for meat ceases on June 30, yet it is estimated that by the time the new season's killing opens next November there will still be nearly three million carcasses which the Imperial Government have bought and paid for, but which, through lack of shipping space, will be lying in our stores. By the terms of the contract, the British authorities have absolute disposal of all insulated space on the ships until all requisitioned meat has been lifted, so that the meat industry is threatened with paralysis in the coming season. Farmers are inclined to blame the British Food Controller for laying plans to cope with a world shortage of meat in 1920, when in actual fact the

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British market is glutted. Attempts to renew the requisition for another year have failed, and farmers will be thrown upon a market in which they will have to compete against their own old stocks, which the British Government will be unloading at a loss. The recent lowering of the wholesale price of mutton in Britain should afford some relief by promoting the consumption of meat, which during the war has decreased by 30 per cent. ; prospects of a new outlet are afforded by the shipment of 36,000,000 lbs. of mutton and lamb from England to New York ; and it is hoped that the British Government will not insist upon its right to the exclusive use of insulated shipping until all its purchases have been disposed of. At best, however, the situation does not offer much comfort ; the *New Zealand Herald* describes it to be "as forbidding as any that has arisen since the introduction of refrigeration processes revolutionised the position of New Zealand as a producing country." Mr. Massey, in addressing a Producers' Conference in Wellington at the end of May, promised financial assistance from the Government to enable meat producers to hold their large accumulations for an indefinite period and uncertain market ; at the same time, he warned them that the easy profits of the war years would not continue.

The outlook in regard to wool is equally depressing. The Imperial requisition ends on July 31, with the major portion of last year's New Zealand clip on hand and unsaleable. At present the demand for cross-bred wool, which forms the bulk of our clip, is practically dead, and the British Government has been diverting shipping from wool to wheat, thus causing a congestion in our stores. The wool position is therefore very similar to that of meat. Butter and cheese, on the other hand, are still highly profitable commodities, and dairy-farmers are seeking a free market, believing that they would get better terms than are allowed them under the requisition.

The settlement of the coal trouble last February and the abolition of the miners' "go-slow" policy have not yet

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eased the industrial position. It has been impossible to build up reserves of coal, and services vital to the public and to industrial prosperity, such as railways, gasworks, freezing works, shipping and electric light and power, live only from hand to mouth. The output from the West Coast mines has improved since the settlement, but there is still unrest. In five mines the meaning of the terms of the agreement is in dispute; while in the Auckland districts there have been cases where the miners have refused to enter the mine because the proper number of trucks for the day's output was not in waiting at the start. Compared with 1919, the first four months of the year (which partly covered the "go-slow" period) showed a decreased output of 57,000 tons of hard coal, which was reduced to a net loss of 9,000 tons by increased importations. More regular supplies from Australia will be available when the 12,000 tons of shipping now being utilised monthly for carrying our wheat purchase are returned to coal, which should be by the end of June. But the regulation of our internal coal supplies, which form four-fifths of our annual consumption, is really the crux of the matter. At present, even assuming that the mining proceeds without interruption, temporary stoppages in essential services may be occasioned by small hitches in transport. The contents of the West Coast mines are dependent on the sea for their distribution, and, in winter especially, colliers may be bar-bound, with consequences that are felt at once, owing to the absence of reserves. The restrictions on household consumption therefore remain, and distribution is placed in the hands of a Coal Trade Committee in each of the four centres, whose duties are to secure what supplies are available and allocate them to the best advantage. No great expansion in any industry can be looked for until the conditions governing the output of coal can be improved.

The money prosperity of the past few years is now being more critically examined, and reference to facts and figures

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proves that it is to increased prices rather than to increased production that we owe our present position. The high land values are due not to the fact that land produces more than it did, or that it is better farmed, or that it is more closely settled, but simply to the world market in which we have enjoyed sheltered treatment during the period of the war. There is considerable land speculation and dairying-land in the Auckland Province (which is the chief source of our export butter supply) has changed hands at from £175 to £200 an acre. The Government's land policy in the settlement of returned soldiers has also inflated values. By the Discharged Soldiers' Settlement Act, land might be taken either compulsorily or by private treaty. As a matter of fact, only the latter method has been used, and the last returns showed that 5,959 returned soldiers have been settled on 1,222,195 acres of privately owned land at a cost of £11,695,863. The Government has thus been in competition with the private buyer for land that is valued on the basis of present-day market-prices; the farmer who is in possession sells out at a handsome figure and is replaced by a returned soldier who may be inexperienced and unable therefore to make his high-priced section pay. The Government has also placed 879 men on 897,908 acres of Crown or national endowment land, and the reason why this was not more extensively done is that to large blocks of suitable land there was no access by road or rail, and as the placing of the men on the land was a matter of urgency, the easier but less economically sound course was adopted of replacing one set of producers by another. The difficulties of the soldier settlements have created a demand for a vigorous and systematic development policy. The new Minister of Public Works (the Hon. J. H. Coates) has adumbrated a plan for constructing and maintaining important main roads, and has promised that railways shall in future be built on business-like principles where they are most needed, and not in response to political pressure. A satisfactory scheme would

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throw open millions of acres now idle, increase the productiveness of the country and encourage that immigration which is urgently needed, and which the disturbed state of Europe will undoubtedly provoke.

IV. THE IMPERIAL TIE

THE Prince of Wales's visit, which began in Auckland on April 24 and ended at Lyttelton on May 22, was thoroughly enjoyed by the whole community. Huge crowds assembled to greet him both at the centres of population and at wayside stations, and illuminations, decorations and entertainments were provided freely in his honour on all hands. Stripping the whole visit of its formal and official aspects, one may fairly call it a great personal triumph for the Prince. His announcement that he came to see the people rather than the sights struck a friendly note which was fully reciprocated. The popularity that he enjoyed was a genuine tribute to the straightforward simplicity of his character and his tactful consideration of others. He was equally happy in his relations with individuals as with crowds, and the impression that he everywhere left can only strengthen the real if somewhat nebulous feelings of loyalty that exist towards the British monarchy in this country. Few people concern their thoughts with the constitutional difficulties that beset the future evolution of our Empire ; but, however great they may be, the chances of their solution are much increased if the idea of unity is constantly present to the popular mind, and this is what royal visits can chiefly effect. We may quote the *New Zealand Herald* as voicing feelings pretty generally held :—

It is a significant fact that a war which shook the thrones of Europe left that of the British Empire more firmly based than ever in the affections of the people. This is surely a cause for legitimate national pride, a pride in which the Dominions may

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reasonably share, because they are partners in the constitution thus proved by fire. The justification of the monarchy is to them not only a constitutional gain, but it strengthens the only visible tie which unites the sister nations of the Empire. The House of Commons may command our interest, but it is not ours; the Secretary of State for the Colonies is a valuable *liaison* officer, but he is, after all, a party politician. To find the constitutional link which knows no party and belongs equally to New Zealand, Australia, Canada, South Africa, India and the United Kingdom, we must turn to the Monarchy. Statesmen have sought for some collateral forms of constitutional union, but they have found none. The Imperial War Cabinet, a body with unique functions, served its purpose and lapsed, and nothing has been substituted for it. Developments may follow further conference: the Imperial Council of which some men have dreamt may yet be clothed with authority, but the path is untrodden and doubtful. The present and practical expression of our Imperial aspirations is the Monarchy, and a deep, if unspoken, consciousness of this has coloured our welcome to the Prince of Wales.

It will be of interest perhaps to place in juxtaposition with the above extract another from the same paper a few days later. The unity of the Empire may depend on feeling, and be the better for symbolical expression, but concrete problems arise which demand practical measures and machinery for dealing with them. Such a one is the question of Asiatic immigration. In less than five months, in spite of poll tax and education tests, 332 Chinese and 136 Hindus (the latter an overflow from Fiji) have landed in Auckland. Alarm is felt at the influx, and the Auckland Waterside Workers have passed a resolution refusing to work boats carrying such immigrants. Yet Hindus are British subjects, and an Imperial question is at once raised which no amount of loyalty to the Monarchy will automatically solve. The *Herald* now writes in this strain:—

The time has come to declare to the world in terms that are not ambiguous that we object to the immigration of Asiatics as such. No diplomatic complications need be feared. The Chinese Government is not particularly interested in the emigration question. The Japanese have already set a precedent in regulating the admission

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of Chinese on the ground that the economic standards of the two countries differ. India may claim for the Hindus certain privileges as British subjects, but if the right of entry to New Zealand is among these, then the issue must be faced squarely at the next Imperial Conference. As a self-governing country the Dominion has an inalienable right to determine the character of her immigration and to refuse whom she will. The assertion of this right may embarrass the Imperial Government, which has always sought to mask the purpose of our immigration laws in formulæ soothing to Indian and Japanese susceptibilities. It should be made, nevertheless. Ambiguity can only lead to misunderstanding. New Zealand can carry her point if she insists, temperately and unequivocally, upon her right to refuse her citizenship to Asiatics.

General pleasure was expressed at the announcement in April that Viscount Jellicoe had been appointed to succeed Lord Liverpool as Governor-General next August. It was felt that an honour had been done to the Dominion in giving the position to so distinguished a sailor ; and apart from his reputation the visit which he paid this country last year secured him many personal friends. His presence amongst us should stimulate interest in the naval problems of the Pacific, an ocean which is daily growing in strategical and commercial importance.

New Zealand. June, 1920.

NOTE.—No South African article has been received for inclusion in this number.

GEORGE LOUIS BEER

THE ROUND TABLE is so much of a co-operative venture that it would not be easy, even if it were deemed desirable, to draw aside the veil of anonymity which surrounds its writers. But in George Louis Beer, who died in New York on March 15, 1920, not only this magazine but the world of scholarship and of affairs on both sides of the Atlantic have lost a worker whose name deserves to be known and honoured far beyond the circle of those who came into actual touch with his work.

Born in America, of parents of Continental origin, Beer spent the first ten years of his active life in business, acquiring a practical training and experience which were of inestimable value to him in his later work. In 1903 he decided to devote himself to intellectual pursuits, and first turned his attention to the early history of the American colonies. His studies led him to the Record Office in London, where from 1903 onwards he spent a great deal of time examining the contemporary records of the period which led to the American Revolution. The result of his researches was epoch-making. It is but the bare truth to say that he was mainly responsible for cutting the taproot of falsehood from which the so-called histories of Bancroft Trevelyan and the manuals used in the primary schools of America have sprung. It was during this period that he acquired a knowledge of British institutions as thorough as that possessed by any other American. The most modest of men, he was known only to a small circle of admiring friends, but no one was better qualified to act as an interpreter between the American and British communities. Britain and her Allies had no firmer friend. Owing no doubt partly to the fact that his father was a member of the Jewish community in Hamburg, he was thoroughly familiar with German political conditions and intellectual methods, and this made him a formidable antagonist for the German propagandists in the United States. On one occasion at a luncheon in New York when Herr Dernburg was travestying the British Constitution, Beer, with his greater knowledge, rose and fearlessly confuted him.

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It was in their efforts to understand the causes which led to the disruption of the British Commonwealth in the eighteenth century that THE ROUND TABLE groups first came into touch with Beer through his publishers. From that moment onwards he developed the deepest and most sympathetic interest in their researches, and soon agreed to become the American correspondent of THE ROUND TABLE. His interest in present world affairs developed and was, of course, greatly stimulated by the war, from the outbreak of which his pen was devoted to the service of the Allied cause. When in 1917 Colonel House organised an office to prepare for the eventual Peace Conference, the study of British dependencies, in particular of Mesopotamia, was entrusted to Beer, who rapidly developed an encyclopædic knowledge on these subjects. A devouring reader of dry official documents, he possessed the extraordinary faculty of never forgetting the smallest details once read. His academic training had given him in a high degree the love of truth and scrupulous conscientiousness of a scholar. On the other hand, his ten years' business training enabled him to avoid the faults of a mere scholar when dealing with practical questions. He combined to an extraordinary degree the virtues of scholarship with those of a man of affairs.

At the end of 1918 he crossed the Atlantic with President Wilson. It was only at Paris that the real dimensions of the man came to be realised by those who worked with him. No man knew better when to speak and when to be silent, when to abstain and when to intervene. By the British, French and Italian delegates he was trusted as implicitly as by his own chiefs. He became, in fact, a sort of telephone exchange through which the various delegations gained access to each other's minds. Extraordinarily steady and detached in his judgment, he was never carried away by the popular prejudices of the moment. He was always accessible, yet it seemed impossible to refer to a document he had not read. When he found time for this reading was a mystery. He must have dedicated very few hours to sleep in Paris, and there can be no doubt that the pace at which he worked brought on or hastened the internal disease which led to his premature death.

Beer was, in the truest sense of the word, an internationally minded man. The fact that his selection as head of the mandates department of the League of Nations was due not to American but British initiative, speaks for itself. He loved his own country, but men of other nations instinctively trusted him to do justice to theirs. He was one of the originators of the idea of an International Institute, the first step in the realisation of which has been recently taken in the foundation of the British Institute of International Affairs. The underlying idea, for which he was largely responsible,

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was for each country to found an Institute of Foreign Affairs, which would act as a telephone exchange between the few hundred men in each country who administer foreign affairs and create public opinion on the subject. These national institutes were to be connected by mutual arrangements for reciprocity, so that, to continue the metaphor, the various national institutes were to be connected by trunk lines. This organisation was to produce a history of the Peace Conference, and thereafter an annual survey of foreign affairs. With Lord Eustace Percy he drew out the plan of the history, the first volume of which has now appeared.

But there was also a side to Beer's life of which those who had only known him in England or in Paris could hardly be aware. In his own country his powers of mind, his extraordinary kindliness of character and his generous spirit made him the centre of a considerable group of men upon whom his criticism and advice had a powerful influence. His retiring disposition made him averse to anything in the nature of public speaking, but at a dinner-table those present would often hang upon his words, and he was seen almost at his best on such occasions. And his influence went far beyond the sphere of direct personal intercourse, for his correspondence was large, and he was always willing to take unlimited trouble in assisting people who were, he felt, trying to express thought of some value on public affairs. There are many men indeed whose names could never appear, who owe a great debt to the stimulus which he supplied either by letters or in quiet talk. Intellectually impatient of "wool," his kindness of heart made him tolerant of much that must have appeared to him to be vainness. Perhaps the greatest tribute to his memory will be the silent mourning of all these people who owe so great an intellectual debt to him.

Beer left behind him a great mass of unpublished work, the continuation of his study of British colonial policy in the eighteenth century, and a number of monumental brochures on tropical dependencies prepared for the use of the American delegation. It is greatly to be hoped that means may be found of giving them to the public.

American by birth, training, sympathy and loyalty, his range of knowledge and interest was confined to no single country. To vast knowledge he added an extraordinary detachment and a weighty judgment. He was at the same time the humblest of men and the warmest of friends. He knew and loved a good cigar. He thought so little about himself that he never thought of making the public think about him. By his death in the prime of his amazing powers the world has lost more than it knows.

EDITOR'S NOTE

A correspondent has called attention to an incorrect statement in an article entitled "The Case of France," which appeared in the June number of *THE ROUND TABLE*. The writer stated that "In January, 1920, repayment was even demanded of a parcel of our (*i.e.*, French) Treasury Bonds held by the British Treasury," whereas in point of fact these particular Bonds were not held by the British Treasury at all, but were one year Bills held by the London Money Market.

The article in question was contributed by a French correspondent, just as the article which followed it on "The German Situation" was from a German pen, and it was in each case made clear by an introductory note that no responsibility was taken by *THE ROUND TABLE* for the contents. They were published, except for verbal alterations, as they stood, in order to show the point of view held in the respective countries of the writers, and for that purpose misconceptions are no less interesting than genuine grievances.

To refer to every point in which the standpoint of the writers either stood in need of correction or differed from our own would naturally be out of the question, but attention may perhaps usefully be drawn to the error in question since it aptly illustrates the part that entirely groundless beliefs may play in the formation of public opinion.

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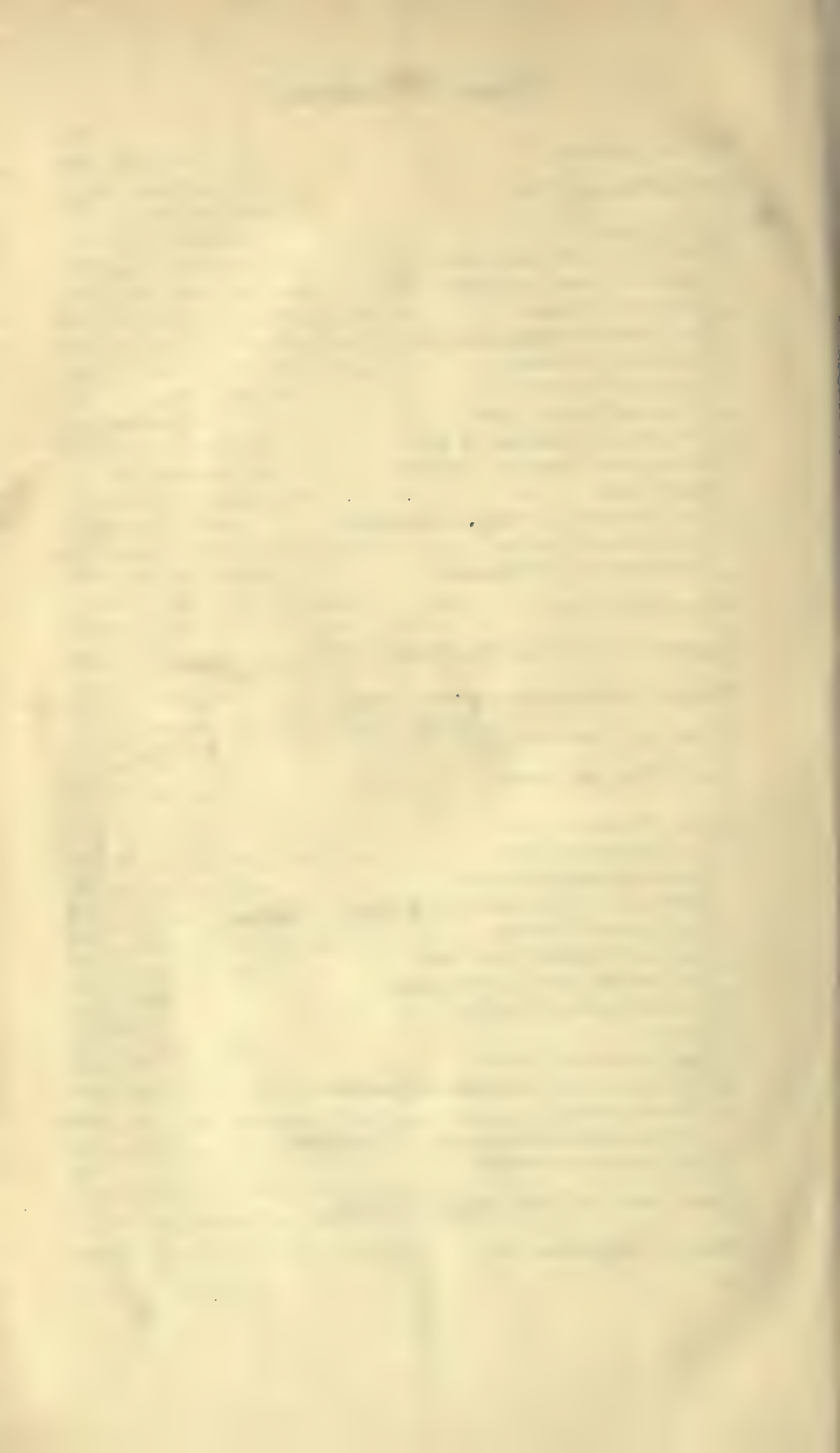
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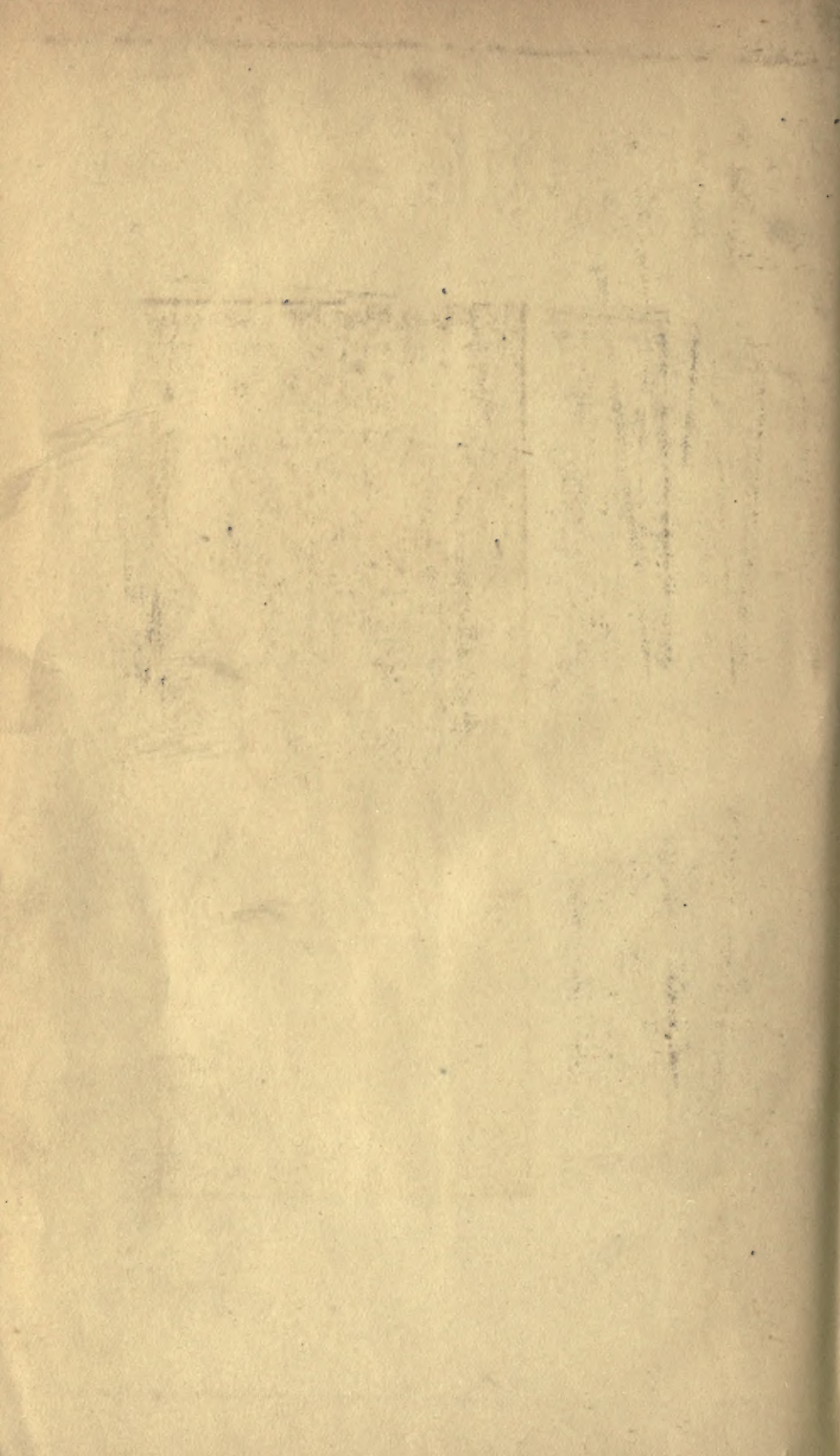
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